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MINISTRY DENIES RUMORS ON FALKLANDS NEGOTIATIONS

PY042339 Buenos Aires DYN in Spanish 2316 GMT 4 May 87

[Text] Buenos Aires, 4 May (DYN) -- The Argentine Foreign Ministry today reasserted that rumors circulating in London about holding a new round of negotiations between Argentine and British representatives on the Malvinas Islands issue "are false."

The press reports stated that through the mediation of the United States, there had been alleged Anglo-Argentine contacts to discuss the fishing issue in South Atlantic waters.

When consulted about these rumors, the Foreign Ministry said that "we reassert the terms of the communique that was issued by the Argentine Foreign Ministry on 5 February."

The communique stated that "rumors stating that the Argentine Government has proposed or has agreed to undertake bilateral negotiations with the United Kingdom on the sovereignty issue are false."

Symposium Held 26-28 Apr

PY271849 Bueno Aires TELAM in Spanish 1649 GMT 27 Apr 87

[Text] Comodoro Rivadavia, 27 Apr (TELAM) -- An International Symposium on National Sovereignty and Latin American Integration Behind the Malvinas Islands Problem continues today at the auditorium of Patagonia's National University San Juan Bosco. This symposium was opened yesterday by Dr Raul Alconada Sempe, under secretary of Latin American Affairs of the Foreign Ministry.

Experts from Argentina, Uruguay, Mexico, Chile, Colombia, Brazil, Peru, and Paraguay are participating in these debates which are intended to create a political forum for the discussion of the Latin American integration process, and to review the inter-American system's attitude in the face of extracontinental aggression, such as that posed by the conflict of the Malvinas Islands.

Today's deliberations began at 0900 with a lecture by Dr Rodolfo Mattarolo, in which he laid out the general outline of the various topics to be debated. This lecture will then be followed today by discussion panels, including one on political aspects of Latin American integration, which will be directed by Dr Anselmo Sule Candia from Chile.

There will be a discussion panel on the Malvinas issue and Latin American integration to be chaired by Dr Jacques Ginesta from Uruguay.

The symposium will continue this afternoon with lectures by Humberto Quiroga Lavie from Argentina and Dr Paulo Parra from Brazil, and it will close tomorrow by drawing the conclusions of the meeting.

PCA LEADER FAVA TERMS ALFONSIN SPEECH 'MOCKERY'

PY021822 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1345 GMT 2 May 87

[Text] Buenos Aires, 2 May (NA) -- Communist Party of Argentina [PCA] Secretary General Athos Fava today stated that President Raul Alfonsin's congressional message "is a new mockery of the people who came out in great numbers to struggle against coup efforts," because he "did not address the foreign debt issue or announce any measures leading to an improvement in the standard of living for workers."

Fava added: "The presidential message was a theoretical argument about the dependency and the reconciliation between the exploited and the exploiters, something which the social agreement seeks to achieve. The message also proposed reconciling the torturers and murderers with their victims."

Fava stated that the message "was cloaked in ethical-philosophical arguments which sought to cover up what is being done against the popular and national interests."

Further Reaction

PY022122 Buenos Aires BUENOS AIRES HERALD in English 2 May 87 p 11

[Text] President Raul Alfonsin's speech opening the 105th congressional session yesterday brought about reactions from all sectors. On the one hand, Radicals praised his words and Peronists approved his call for a joint effort by the two majority parties. On the other, the speech was strongly criticized by right-of-centre and left-of-centre parties.

Lower House Speaker Juan Carlos Pugliese stressed the president's "self-criticism" as he mentioned "the society's mistakes," adding Alfonsin had put forward a proposal for the unity of Argentines and the transformation of the country within democracy.

Lower House majority leader Cesar Jaroslavsky (Entre Rios) said that "the most important [part] (of the speech) is that Argentines can have access to the country's modernization and the future, leaving aside remnants from the past which made Argentine politics sterile."

Meanwhile, Renewal Peronist Deputy Antonio Cafiero (Buenos Aires) said that "the president made a correct presentation of the social pact idea," and agreed on the fact that "the two-party system is not a political solution to overcome the crisis."

Deputy Carlos Grosso stressed that "this is the speech we should have heard on December 10, 1983."

On the other hand, Democratic Centre Union (UceDe) Deputy Alvaro Alsogaray (Federal Capital) charged Alfonsin's speech was "repetitive and very general," and "does not say anything about a solution to the military problem or the undeniable economic failure."

Similar statements were voiced by Intransigent Deputy Miguel Monserrat (Buenos Aires), who said the speech "was too wordy, full of historical and philosophical references, which have nothing to do with the country's demands."

TRADE SECRETARY CRITICIZES U.S. WHEAT SALE TO USSR

PY050235 Buenos Aires Domestic Service in Spanish 0200 GMT 5 May 87

[Text] Argentina has conveyed its displeasure to the U.S. Government over the sale of 4 million tons of wheat at subsidized prices to the Soviet Union. Industry and Foreign Trade Secretary Roberto Lavagna has sent a note to his U.S. counterpart, Clayton Yeutter, to convey the displeasure caused by the U.S. measure and to emphasize that this type of measure will not promote smooth bilateral trade.

CAPE VERDIAN PRESIDENT ENDS OFFICIAL VISIT

PY021438 Buenos Aires TELAM in Spanish 0331 GMT 2 May 87

[Text] Buenos Aires, 1 May (TELAM) -- On Thursday, following a 3-day official visit to our country, as part of a Latin American tour, Cape Verdian President Aristides Pereira left for Brazil. The Cape Verdian president was seen off at the military sector of the metropolitan airport by President Raul Alfonsin and some cabinet members.

During his vist, Pereira met with Alfonsin, visited a meat packing plant in General Pacheco, went to the Dock Sud district to meet with Cape Verdian immigrants living in Argentina, and visited the facilities of the National Institute of Agricultural-Livestock Technology (INTA).

During a news conference held at the Plaza Hotel, the Cape Verdian president said that his country could serve as a gateway to other states on the African continent for exporting Argentine products.

ZARATE CONSTRUCTION WORKERS OCCUPY NUCLEAR PLANT

PY042115 Buenos Aires DYN in Spanish 0400 GMT 4 May 87

[Text] Buenos Aires, 4 May (DYN) -- Labor sources have reported that 600 members of the construction workers union of Zarate, Buenos Aires Province, today peacefully occupied the construction site of the Atucha II nuclear plant, to protest the suspension of 320 workers. The decision to occupy the building came as a reaction to a decision by the Obras Civiles de Atucha II Consortium to suspend 320 workers for 15 days, beginning today. The source said that the suspension was caused by the payment delay incurred by the National Atomic Energy Commission (CNEA), which employs the consortium.

In recent months, construction labor leaders have talked with Guillermo Tello Rosas, chairman of the Energy and Fuel Committee of the Chamber of Deputies, in an effort to prevent the CNEA payment delay from causing a suspension of work.

VOCRA [Construction Workers Union of the Argentine Republic] Secretary General Juan Farias has been briefed on the situation and has promised to seek ways to solve the problem.

Representatives of the VOCRA branch of Zarate have come to Buenos Aires to meet with Labor Ministry officials.

GOVERNMENT TO EXTEND INVITATION TO GORBACHEV

PY050025 Brasilia Domestic Service in Portuguese 2200 GMT 4 May 87

[Text] An invitation from President Jose Sarney to Mikhail Gorbachev, general secretary of the Communist Party of the Soviet Union, to visit Brazil will be delivered tomorrow by the Brazilian Ambassador in Moscow Ronaldo Sardenberg. This announcement was made by Itamaraty. The date of the visit will be set through diplomatic channels.

Soviet Foreign Minister Eduard Shevardnadze will visit Brazil in September.

NORTHEAST GOVERNORS' ANTI-SARNEY MEETING POSTPONED

PY030252 Rio de Janeiro O GLOBO in Portuguese 2 May 87 p 3

[Text] Recife -- The meeting of governors from the northeastern states designed to extend support for Pernambuco Governor Miguel Arraes over his decision to withdraw his support from the Sarney administration, scheduled to take place in the Campo das Princesas Palace in Recife, has been postponed and will be held elsewhere. After talking on the telephone with Alagoas Governor Fernando Collor yesterday, Arraes decided to change the meeting place. He agreed with his other colleagues that the meeting should be held in Natal on 4 May, and he entrusted Paraiba Governor Tarcisio Burity with the task of coordinating the gathering.

The postponement of the meeting has been interpreted as an attempt by Arraes to get the governors from the northeast to support his political position, which has already received the overt backing of two of these governors: Bahia Governor Waldir Pires and Alagoas Governor Fernando Collor, in addition to that of Burity. By transferring the meeting to Natal, Arraes is apparently trying to win over Rio Grande do Norte Governor Geraldo Melo, who is finding it difficult to decide what his political position should be because of his friendship with Administration Minister Aluizio Alves.

By holding the meeting in Natal, Arraes will be drawing attention to another northeastern capital as a way of showing the federal government that his political position has support outside the state of Pernambuco.

Arraes' political advisers believe that it is certain the 4 May meeting will be attended by: Miguel Arraes (Pernambuco State), Waldir Pires (Bahia State), Alberto Silva (Piaui State), Geraldo Melo (Rio Grande do Norte State), Tasso Jereissati (Ceara State), and Tarcisio Burity (Paraiba State). Governor Fernando Collor, the one who suggested the meeting, will not be present because he had to travel to New York.

At the meeting on 4 May, Bahia Governor Waldir Pires will not share Miguel Arraes' attitude of breaking with the president. However, Pires feels that the appointment of Joquim Francisco [Cavalcanti] as interior minister is a "gesture of contempt in the face of the desires of the people of the northeast, who overwhelmingly defeated the PFL [Liberal Front Party] last November." According to him, this appointment has given rise to "dissatisfaction, perplexity, and displeasure" throughout the region.

In Sao Paulo, Governor Orestes Quercia yesterday said that he does not believe that the movement in the northeast will grow. According to Quercia, "everything can be bypassed in politics and this is the time to sooth tempers."

Quercia labeled the decision of the Pernambuco governor to break with Sarney as "something that happens in politics." He added, however, that he hopes that the two will later patch up their differences and that his personal mediation as a friend of both of them is not necessary.

In Porto Alegre, Rio Grande do Sul Governor Pedro Simon, surprised at the reaction of the northeastern governors against President Jose Sarney, said that he is happy that at least his colleague from Pernambuco, Miguel Arraes, does not want to leave the Brazilian Democratic Mobilization Party.

Two Governors Not To Attend

PY041700 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 May 87

[Excerpts] Maranhao Governor Epitacio Cafeteira has said that he will not attend the meeting of Northeastern Region Governors in Natal [Rio Grande do Norte State capital] because he was not invited and because he supports President Sarney. Cafeteira believes that it does not make sense to hold a meeting just to discuss aspects of the ministerial reshuffle. He also pointed out that during the electoral campaign, the northeastern governors proposed different solutions to administrative problems. [passage omitted]

Alagoas Governor Fernando Collor will be represented at the Natal meeting by his deputy, Moacir Andrade. Before leaving for the United States, Governor Collor said that he hopes that the meeting will help the attending members to reflect upon the destiny of the country, particularly about the recent measures announced by the Finance Ministry.

Collor de Mello supported the proposal of the Northeastern faction of the Brazilian Democratic Mobilization Party for the appointment of new officials to the positions still vacant in the federal government.

FOREIGN MINISTRY GRANTS TUTU VISIT OFFICIAL STATUS

PY011900 Brasilia Radio Amazonia Network in Portuguese 1000 GMT 1 May 87

[Text] The Brazilian Foreign Ministry has granted official status to the visit that South African Bishop Desmond Tutu will make to Bahia on 19 May. This was reported to Bahia Governor Waldir Pires by Culture Secretary Gilberto (?Gill) during a meeting with representatives of the Protest Movement Against Apartheid.

Waldir Pires had requested Foreign Minister Abreu Sodre to include Bahia in Desmond Tutu's tour of Brazilian states because he believes that Bahia is the heart of the Brazilian people's African roots.

DEL VALLE VIEWS CONSULTATIONS WITH PERU

PY301336 Santiago Universidad de Chile Television Network in Spanish 0015 GMT 30 Apr 87

[Text] Foreign Minister Jaime del Valle has said that Chile will not consult with the Peruvian Government about the problem arising from Bolivia's landlocked situation until the Chilean Government makes a decision on the issue.

Del Valle also said that he has met with Luis Marchand, Peruvian ambassador to Chile, to brief him on the Bolivian proposal. Del Valle added that before leaving for Indonesia on 1 May he will report to the Government Junta about the details of the talks held in Montevideo with Bolivian Foreign Minister Guillermo Bedregal.

[Begin recording] [Del Valle] I met with the Peruvian ambassador at 1700 yesterday to give him a general briefing on the proposal that Bolivia made in Montevideo. We have a standing agreement with the Peruvian Government to keep it informed of any talks with the Bolivian Government. I made it clear that I was only informing him and not consulting his government, because consultations are not appropriate yet. It is only a matter of courtesy for Chile to keep the Peruvian Government well informed.

[Reporter] What do you mean by "they are not appropriate?"

[Del Valle] I mean that Chile is not going to consult Peru on the Bolivian proposal until a decision is made on the issue. The decision had not yet been made. We are simply going over the Bolivian proposal very carefully. We can hardly consult with Peru if there is nothing about which to consult.

PINOCHET ADVISERS PROPOSE 10-YEAR ECONOMIC PLAN

PY290014 Paris AFP in Spanish 2125 GMT 28 Apr 87

[Text] Santiago, 20 Apr (AFP) -- Official sources today reported in Santiago that a group of advisers to Chilean President Augusto Pinochet has drawn up a 10-year development plan designed to extend the activities of the military government until 1997. General Francisco Ramirez, who until last weekend headed the National Planning Office (ODEPLAN), has noted that the development plan of the Chilean state will include economic, political, and social aspects, to ensure private property rights, private business, and free competition.

Ramirez pointed out that the plan, drawn up by ODEPLAN experts, will have an initial 2-year phase, which includes the end of President Pinochet's presidential term in 1989. The Constitution promulgated by the military government establishes that in 1989 the top leaders of the Armed Forces will propose a candidate for the presidency -- who could be Pinochet himself. The presidential candidate must be ratified by a plebiscite, and will govern until 1997. Gen Ramirez stated that the economic plan is not designed to bring about the nomination of Pinochet for president, noting that the economic plan's goal is to give continuity to government plans.

The idea of extending the activities of the regime, established in September 1973 following the overthrow of the left-wing government of Salvador Allende, gained momentum 9 months ago, when Gen Pinochet publicly raised arguments supporting the idea. On 11 July 1987, Pinochet said that no one can disregard our legitimate right to project our task beyond 1989.

Commenting on the 10-year plan, economist Nicolas Flano today said that this is the economic side of a political plan to perpetuate the regime. Meanwhile, other opposition members have stated that the 10-year plan would aggravate disagreements within the government of technocratic and populist trends. The technocrats are the advisers who advocate the policies implemented more than 10 years ago by the Chilean followers of the Chicago School, based on the neoliberal theories of Milton Friedman. The populists, on the other hand, endorse a policy of economic concessions and great projects, which will permit the government to neutralize or attract the social groups opposed to it.

The concrete proposals contained in the 10-year plan have not been announced yet because they must be approved or changed by President Pinochet. However, it was learned that the overriding goal is to maintain the liberal economic system, with greater emphasis on social development. Ramirez stated that this will not involve allocating more investments to the low-income sectors because efforts will be made to make a better distribution of the funds that the state currently invests in health, housing, education, and other programs involving social expenditures. Ramirez stated that the economic development brought about by the plan will no doubt produce a surplus that will be used in a better way. The former ODEPLAN director made these comments upon leaving his post to assume his duties as deputy foreign minister.

STUDENT DEMONSTRATORS DETAINED IN VALDIVIA

PY011935 Paris AFP in Spanish 0411 GMT 1 May 87

[Text] Valdivia, Chile, 30 Apr (AFP) -- Eight Chilean students were detained in Valdivia, 850 km south of Santiago, for participating in demonstrations opposing the visit to this city by President General Augusto Pinochet, who began a visit here today. Carabineros have reported that the youths, including three women, were arrested for disorderly conduct in the streets when they were participating in meetings to protest against the military government. These meetings were broken up with teargas.

The Human Rights Pastoral of the local Bishopric has reported that of the eight youths being held in a police station, two belong to the Valdivia Professional Institute, five are students at the Southern University, and the eighth is a high school student.

Pinochet arrived in this city from Osorno, 975 km south of Santiago, where he dedicated a 455-meter bridge across the Cruces River between Valdivia and the town of Niebla.

The bridge, which is 21 meters high and will allow the passage of vessels along the river, has been termed an important work of engineering that will end the isolation of the 2,500 residents of Niebla, according to Public Works Minister General Bruno Siebert.

RADICAL PARTY SPLITS INTO TWO FACTIONS

PY041859 Paris AFP in Spanish 1637 GMT 3 May 87

[Text] Santiago, 3 May (AFP) -- Leaders of the Radical Party of Chile, one of the main parties that oppose President Augusto Pinochet's military government, have reported that today the party broke into two factions at the conclusion of two parallel conventions which approved different political strategies. The official convention of the centrist party has reelected Enrique Silva Cimma as its president and ratified that the Radical Party will remain a member of the Democratic Alliance coalition, which includes factions from the right, the Christian Democratic Party, and a sector of socialists. The dissident convention, with the participation of 500 delegates from throughout the country elected Luis Fernando Luengo, a former Social Democratic senator, as its president and proclaimed that it wants closer ties with the sectors that favor socialism in order to create a broad front without exclusions.

The Radical Party, which was founded in the 1890's, governed Chile with other leftist parties that created the Popular Front in 1938. In 1973, when the military overthrew socialist President Salvador Allende, the Radicals were members of Popular Unity, which also included the socialists, communists, and the Christian Left.

SECURITY SERVICES ARREST MIR INTERNATIONAL LIAISON

PY281954 Paris AFP in Spanish 0235 GMT 28 Apr 87

[Text] Santiago, 27 Apr (AFP) -- The Chilean military government announced today that the security services have arrested Edison Barrales Daza, who formerly worked as an international representative for the Movement of the Revolutionary Left (MIR), which promotes the armed struggle against the regime. In a communique the National Social Communications Directorate (DINACOS) reports that the National Intelligence Center (CNI), the political police, has placed Edison Barrales Daza, who clandestinely entered the country under the false identity of Alfonso Casado Nava, at the disposal of the Santiago Military Prosecutor's Office. Barrales Daza, 34, joined the MIR in 1969 and a year later joined the GAP [Group of Personal Friends of late President Salvador Allende during the 1970-73 period]. He was in charge of security at the residence of Salvador Allende and received military and political instruction from Cuban advisers.

DINACOS revealed that Barrales Daza went to Havana in March 1973 and later participated in the reorganization of MIR abroad, heading the department of propaganda, and assistance for MIR members in Chile. DINACOS also reported that late in 1986 he went from Havana to Lima, Peru, where he was provided the false document with which to enter Chile at a later date. On 2 March 1987, Barrales Daza received a false Bolivian passport from a MIR man in Peru known by the political nickname of Roberto. From Chile, Barrales Daza went to Buenos Aires, then to Mendoza, from where he reentered Chile through the Paso de los Libertadores in April 1987.

The DINACOS communique adds that once in Chile, Barrales Daza contacted members of MIR and received instructions for the manufacture and distribution of explosives. DINACOS said that Rodrigo Barrales Daza has been placed at the disposal of the Military Court on charges of clandestine entry into the country with false documents, membership in an armed group, and violation of the law on arms and explosives control.

PARAGUAYAN FOREIGN MINISTER ARRIVES FOR VISIT

PA042014 Bogota EL TIEMPO in Spanish 28 Apr 87 p 11-a

[Text] Upon arriving in Colombia on an official visit last night, Paraguayan Foreign Minister Carlos Augusto Saldivar said: Latin America will achieve peace only when all its peoples have achieved democracy; Paraguay supports our forefathers' objective of uniting Latin America.

He said that Paraguay enjoys full democracy and is ruled by a popularly elected government. Saldivar added that that is why his country faces no human rights problems or problems involving political prisoners. Furthermore, there is no state of siege.

The foreign minister, who will be in Colombia for 3 days, said that opposition leader Domingo Laino's return to Asuncion was not a traumatic experience. "The government is pleased to see Laino return, because he could help improve our democracy."

He said there are no exiles abroad; those who are outside Paraguay left the country voluntarily, "some of them for economic reasons."

Foreign Minister Saldivar said that General Stroessner was elected to power and "represents a political party with a 100-year old tradition: the Colorado Party, namely the National Republican Association." He added that those who deny this are not aware of the political reality of Paraguay.

Saldivar said there will be presidential elections in February 1988 and that the candidates will be selected between September and November this year. "The people will decide who will be the new president," Saldivar added.

The Paraguayan foreign minister, who was greeted at the airport by his Colombian counterpart, Julio Londono, said that during his visit here he will discuss several bilateral issues aimed mainly at the signing of a broad trade agreement.

VENEZUELAN ARMY HELPS FIGHT GUERRILLAS ON BORDER

PA012214 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Apr 87

[Report by Jairo Saravia]

[Text] During the last few hours, 2d Division troops struck harsh blows to rebel groups. In Norte de Santander, Arauca, and Santander, 18 guerrillas were killed in clashes with troops belonging to the 5th Brigade, attached to the Army's 2d Division. The clashes took place at Las Mercedes, Norte de Santander, where two FARC members were killed. At Rio de Oro, Garcia, Rovira, and Herran, 16 members of the EPL [Popular Liberation Army] and the ELN [Army of National Liberation] were killed.

General Alberto Gonzalez, 2d Division commander, said there are combined operations underway with the Venezuelan Armed Forces on the border between the two countries. In these operations, they have confiscated arms, subversive propaganda, uniforms that are exclusively used by the Armed Forces, and documents.

WORKERS CELEBRATE LABOR DAY PEACEFULLY NATIONWIDE

PA041840 Quito Voz de los Andes in Spanish 1230 GMT 2 May 87

[Text] Thousands marched yesterday through Quito's streets to commemorate 1 May. Labor Unions and popular organizations marched together for the first time, as between 35,000 and 40,000 people took part in the parade under the slogan: Unity of the Workers.

The United Workers Front, the People's Front, the CNT [not further identified] and the Confederation of Indigenous Nationalities [Confederacion de Nacionalidades Indigenas] had issued calls to join the march.

The organizations of workers, peasants, neighbors, and other popular sectors marched for over 3 hours through the preselected streets, ending up at San Francisco Plaza.

Most of the slogans and speeches emphasized the unity achieved during the last national strike and at the 4 April unitary convention, criticized the Febres Cordero government, and stressed the need to seek a truly democratic and popular government in the next elections. The slogans also demanded economic measures be abolished, the president be brought to trial, and rejected the presence of U.S. troops in Ecuador.

Aside from Guayaquil, where incidents between demonstrators and police took place -- although the government minister had denied any such incidents had occurred -- the 1 May celebrations were peaceful.

The incidents in Guayaquil began when police tried to seize from the demonstrators a stuffed figure they found offensive. In Cuenca, many thousands of workers marched. In Loja, 5,000 persons took part in the march. In Ambato, the march was peaceful and disciplined. In Machala and other cities such as Ibarra, Latacunga, Portoviejo,and Esmeraldas, all labor unions marched together. The most common feature was the unanimous protest against the government's economic policy and the rejection of the presence of U.S. troops.

IPU DELEGATES AGREE ON RAPPROCHEMENT WITH NICARAGUA

PA042250 Quito Voz de los Andes in Spanish 1230 GMT 3 May 87

[Text] Today the press reported in Managua that President Daniel Ortega expressed his government's willingness to reestablish diplomatic relations with Ecuador. These relations were interrupted by that country's government in 1985.

At a meeting held with Ecuadoran legislators who took part in the 77th IPU meeting, Oretga mentioned Managua's wish to break the communication gap imposed by President Leon Febres Cordero 2 years ago.

The Nicaraguan president said: Historic and fraternal links exist between the South American country and ours that are stronger than formal agreements.

The Ecuadoran delegates agreed on the need to reestablish relations and said that on two occasions the Ecuadoran legislative body asked Febres Cordero to annul the measure. As a demonstration of the respect their people have toward Nicaragua, the Ecuadoran legisltors handed Ortega a collection of paintings from the best Ecuadoran painters.

ENERGY MINISTER OUTLINES HYDROCARBONS POLICY

PA021550 Quito Voz de los Andes in Spanish 1130 GMT 1 May 87

[Text] President of the Republic Leon Febres Cordero was an honorary witness during the signing ceremony of the contract for the exploration of hydrocarbons in the Amazon area, block 14, between CEPE [Ecuadorean State Petroleum Corporation] and the consortium formed by the (ELS Aquitam) Company, BRASPERTO [PETROBRAS, International, Inc.], and JPS (Jazmine Petrolero Fiscal), who will invest over $37 million.

Energy and Mines Minister Javier Espinosa Teran spoke during the ceremony and said our national hydrocarbon wealth will be targeted to the most diversified geographical areas, such as France, Brazil, and Argentina in order to broaden our trade patterns.

[Begin recording] [Espinosa Teran] Right now, there is a thorough study of a long-range hydrocarbons possibilities of the Ecuadoran petroleum industry prepared by the National Energy Institute. With this study, we can truly prepare for the challenge Ecuador has to face: To try in the next 25 years to maintain its hydrocarbon industry with the same strength and economic importance it has had in the last 15 years. Allow me to point out the main indicators of the current situation of the national petroleum industry, the main trends that must be carried out through the year 2010 in order to achieve the government's petroleum policy.

Early this year, the country's proven reserves were a little over 1.2 million barrels, the probable reserves 435 million barrels, and the possible reserves 1.55 million barrels. The temporary availability of petroleum this year due to the ratio between the proven reserves and annual production is 13 years, a precarious figure in relation to producing countries such as Kuwait, Saudi Arabia, or Venezuela.

On the other hand, during the last 15 years, the hydrocarbon industry represented 12 percent of the gross national product, 65 percent of the country's exports, and between 50 and 60 percent of the total petroleum production was exported. [end recording]

Energy and Mines Minister Javier Espinosa Teran concluded that the overall goals of the current policy for the next 25 years can be summarized in the following concepts: Maintaining the economic importance of the national hydrocarban sector in the overall economy of the country; increasing the extension of the proven reserves to give greater security to the coming generation; and insuring that the main source of financing for our national economy -- petroleum -- will increase at a growth rate in line with the national economy.

FOREIGN MINISTER RETURNS FROM COLOMBIA 3 MAY

PY041647 Asuncion HOY in Spanish 4 May 87 p 14

[Text] Paraguayan Foreign Minister Carlos A. Saldivar yesterday returned from an official visit he paid to Bogota, Colombia, at the invitation of Colombian officials. During his visit, the foreign minister met with the Colombian president.

Saldivar analyzed economic issues within the framework of ALADI [Latin American Integration Association] with Colombian officials. According to early reports, agreement was reached with the Colombian Government to drop custom tariffs on traditional Paraguayan exports. The talks also included drug trafficking and the foreign debt problems. Both parties called for a just solution to the foreign debt problem.

Minister Saldivar will report to President Stroessner on his mission. The visit has undoubtedly broadened and strengthened bilateral relations. Colombia has traditionally been a friend of Paraguay, hence the very successful result of Saldivar's mission.

PEASANT LEADER REPORTEDLY IN CRITICAL CONDITION

PY040122 Asuncion HOY in Spanish 3 May 87 p 6

[Text] Relatives of peasant leader Marcelino Corazon Medina yesterday reported that Medina is in critical condition and is running the risk of dying, taking into account that over the past 24 hours he has not taken any liquids and is now dehydrated.

His relatives also said that Asuncion Archbishop Msgr Ismael Rolon yesterday went to Tacumbu Prison to visit Corazon Medina, but was not allowed to see him because only Medina's relatives are allowed to visit the peasant leader.

In addition, the Authentic Radical Liberal Party Youth has called on all sectors of the country to gather at 0900 this morning at the "Casa del Pueblo," headquarters of the Febrerista Revolutionary Party, to express support for Father Americo Ferreira, a priest of San Roque Parish, in the negotiations seeking the peasant leader's release.

BRIEFS

II CORPS CHIEF INSTALLED -- In a ceremony presided over by III Army Corps Commander General Orlando Machuca Vargas and other high-ranking officers, Colonel Alfredo Diosnel Zelaya was installed as the new chief of staff of the II Army Corps. [Summary] [Asuncion HOY in Spanish 21 Apr 87 p 11 PY]

CANADIAN AMBASSADOR ACCREDITED -- During a ceremony at Government Palace, Mr Miguel De Goumois, the newly appointed Canadian ambassador to Paraguay, this morning presented his credentials to Paraguayan President Alfredo Stroessner. Ambassador Goumois is headquartered in Buenos Aires. [Excerpts] [Asuncion ULTIMA HORA in Spanish 28 Apr 87 p 12 PY]

U.S. AMBASSADOR'S HOUSE BOMBED, NO CASUALTIES REPORTED

PY051253 Lima Radioprogramas del Peru Network in Spanish 0315 GMT 5 May 87

[Text] [Passage indistinct] Another bomb exploded at the Banco [name indistinct] office, located in the 3600 Block of Jose Grandas Ave, San Martin de Porres District, and at the office of the Banco de Credito, located at Argentina and Industrial Avenues, in the same district. Five criminals threw dynamite at the Labor Ministry building, located on Salaverry Avenue, and at the San Martin de Porres Police Station. Some damage was reported at the police station.

There has also been a shoot-out near the bust of the American Popular Revolutionary Alliance leader Victor Raul Haya de la Torre, which is located near the Labor Ministry and the Piuri Shopping Center in San Martin de Porres District.

At about 9:12 [am or pm not specified] a bomb exploded at the U.S. ambassador's residence in the 800 Block of Arequipa Avenue and at the Peruvian Officers Club located in the Jesus Maria District. These attacks have been officially reported by the Investigative Police Terrorist Directorate and by the Civil Guard. The police forces have confirmed these reports.

PRESIDENT GARCIA ON STRUGGLE AGAINST TERRORISM

PY041718 Madrid EFE in Spanish 0238 GMT 2 May 87

[Text] Lima, 1 May (EFE) -- Peruvian President Alan Garcia today stated that a solution to the subversion problem in the country will be "fundamental and essential" during the next few years.

"The problem of subversion must be undertaken with intelligence, with a strategy that will give results. The best thing we can do over the next few years is to overcome this problem without resorting to bloodbaths or to excesses," the president said.

During a news conference, Garcia stated that after meeting with Interior Minister Abel Salinas, he had come to the conclusion that Peruvians must be guaranteed more security and have the certainty of a "democracy of civilized coexistence."

Garcia said that the country must be "very aware" of this fact, and must understand the importance of the problem, because in other fields such as the economy, social affairs, and foreign affairs, progress is being made and there is the ability to continue to improve the situation.

He added that other participants in the meeting included Deputy Interior Minister Agustin Mantilla, Civil Guard general, and Peruvian Investigative Police personnel, with whom he "fully" studied the "complex and changing" situation of subversion. He also said that the recent countersubversive operations of the police in the northern department of Libertad were also evaluated. According to the deputy interior minister, 16 terrorist leaders were arrested during those operations.

Garcia also stated the creation of special courts for terrorist cases is still pending and he considers them to be "very necessary" in order to train judges and give them the security they need. The draft law creating the special courts has been submitted to Congress, where it still has to be approved.

PRESIDENT LUSINCHI ANNOUNCES ECONOMIC MEASURES

PA011416 Caracas Television Service in Spanish 0004 GMT 30 Apr 87

[Speech by President Jaime Lusinchi at the Miraflores Presidential Palace on 29 April -- live or recorded]

[Text] Venezuelan people, companero workers, I thought it appropriate to address you today to discuss several aspects of our economy, its effects on the population, and the government policies to resolve those effects. I am addressing you to announce and explain several decisions regarding prices, employment, and wages, which are of general interest. We are on the verge of 1 May, International Labor Day; therefore, the time is suitable to discuss these topics.

Most Venezuelans are part of the working class, and a large part of our responsibility for our development as an independent, democratic, and progressive country falls upon that class. Thus, its well-being has always been a top priority for Venezuela.

Today we accept -- without ambiguities -- that a worker is not only the classic working man, but all those who obtain their income from working, regardless of their occupation: rural, industrial, or artisan work, public services, offices, private enterprise, and even small- and medium-size enterprises which provide family and personal income.

Collective action under the leadership of the government should benefit the working class. That has been my main goal. Our goal should be to guarantee and protect an income that satisfies the working class' basic needs and its possibilities for progress as human beings.

The truth is that the composition of society imposes on us all the dual condition of leading the social and economic process and being the beneficiaries and the victims -- depending on the case -- of the successful plans or errors of the individuals and the community. The solution to the dilemma this situation puts forth is a universal challenge.

Within the current national and international panorama, which is marked by the compromising heritage of years of erroneous, wasteful behavior and by the deterioration of our traditional sources of income, we have set the well-being of the working class majority as our main goal. There will not be a solution unless we all have the necessary elements for our personal development to contribute in a satisfactory manner to the solution of common challenges.

The men and women of the world daily face distressing problems: cost and standard of living, the achievement of worthy and stable jobs for ourselves and our relatives, health needs, the need to have increasingly better education and training, the need for rest by those who lead the isolating life of the big cities, and a reasonable guarantee of a better future for our children.

In Venezuela, we are not free from all those problems, although we are not in a desperate situation. For more than 3 years, we have been constantly struggling against the adverse circumstances our country is experiencing. We have been living in times of great turbulence. However, together we all have been able to make a series of social changes in the productive sector and in the physical infrastructure.

With a disjointed economy, scarce resources, and a loss of confidence, we have made an important reorganization effort. We have efficiently improved available resources while on a realistic quest for national and permanent awareness; we have restored faith in our own as well as in others' possibilities.

Despite the lack of understanding by some groups -- that of the opposition in some cases or the grotesquely inexplicable and suicidal in others -- the caravan passes and there are specific signs of economic reactivation, self-sufficiency, product diversification, and a consistent decrease in unemployment. [sentence as heard] We are creating lasting wealth that can be divided. We cannot continue living on illusions.

The increasing strength of the economy, the changes made in currency exchange, and the price level that the process imposes have placed us in a situation unknown to current generations. This situation is not easy to adapt to, but adaptation is necessary. It is a harsh reality, but guarantees an independent, secure, and progressive development. The demands on the population have been difficult. It could not be otherwise, in view of the harm done to the nation. Of course, we will always admit that we could have done more than we did. We failed in the handling of certain parts of the complex problem, but this keeps us alert and serves as a stimulus for development and success. It is a good thing that the people acknowledge progress and understand the failures of a government that rules amid very adverse conditions. Reliable surveys place approval of the president and the government at 10 and 5 points, respectively, above the surveys taken during the first 3 months of the 4th year of any presidential period. The data does not make us conceited, but it certainly comforts us. It also indicates that the people think well of the government, despite superficial and prejudiced interpretations and mere whims.

I cannot go into greater detail. This is not the place for it, and it is not my intention to make an assessment of the work we have done. There will be time for that later, and we will then have figures and explanations in hand. However, it is important to point out that our efforts were directed at the country's majority, especially at the workers.

Each time we had to make changes to adapt to the new economic circumstances or to change our policy, we have always thought of the need to implement measures that could compensate the population for the deterioration of its real income. We have done that always bearing the national interest in mind.

Therefore, today I came here to announce the decisions I have made, along with my Cabinet, to maintain the purchasing power of the Venezuelans, to fulfill our social commitments to the people, and to make possible a volume of aggregate demand [demanda agregada] compatible with the needs of economic growth. I have already said, and I repeat tonight, that without production there is no development, and that with consumers deprived of purchasing power, any action to stimulate production would be deceptive.

The measures taken are as follows: First, as of 1 May 1987 we decided to order the application of a compensatory bonus [bono compensatorio] to all the country's workers, according to the following scale:

a. 30 percent of the worker's basic monthly wage for all those earning less than 2,100 bolivares;

b. 25 percent of the worker's monthly wage for all those earning from 2,100 to 6,100 bolivares;

c. 20 percent of the worker's basic monthly wage for all those earning from 6,100 to 20,000 bolivares.

This compensatory bonus bust be paid apart from wages but at the same time and for the same periods that the wages are paid. Due to the nature of the bond, it will not be part of the wages.

All this is being done without upsetting the production system. It will guarantee that we will be able to continue to have a dependable work force and to sustain development.

I must also state that workers of both the private and public sectors, as well as officers, noncommissioned officers, and enlisted men of the Armed Forces, are entitled to this compensatory bonus, as decreed. However, with respect to public employees, I must explain that although the bonus will go into effect on 1 May 1987, its payment will be subject to authorizations from Congress that will provide the government with the required funds.

Second, we have also decreed a 120-day hiring freeze [inamovilidad laboral] to keep unscrupulous persons from trying to avoid paying the compensatory bonus by using the old tactic of firing their workers.

Third, we have decreed a 120-day price freeze for all basic products. In addition to natural price-increasing pressures on a developing economy such as ours, aims to produce what the country consumes and to strengthen a necessary export policy, and the adverse factors generated by our heavy foreign debt and the decline in our income, a serious process of profiteering has developed that we do not intend to tolerate and that we are obliged to fight with all our might, in conditions not previously forseeable. Thus, we have decreed this price freeze, limited to 120 days, so that during this period, we can make the required legal and administrative changes that will enable us to confront this scourge that is attacking consumers without pity, using new characteristics, new tricks, and new cliques, in addition to traditional ones. The threat of profiteering is serious and should be confronted with heroic measures and a resolute collective will.

To make this freeze effective, I have instructed the pertinent ministers, especially the interior, finance, defense, and development ministers, to give priority to this task and to devote all their infrastructures and abilities to the achievement of this goal. To this end, the interior minister has called for a special governor's convention to be held next week. The only topic on the agenda of that meeting will be the fight against profiteering. He has also called a meeting to discuss the same subject with all the presidents of the country's municipal councils.

The defense minister, following specific instructions from the president of the Republic and commander of the Armed Forces, has sent a general order to all military garrisons to give national and regional officials the necessary support in carrying out these control measures.

I am sure that serious and responsible Venezuelan businessmen will obey the law and will fulfill their commitment to the people, because they know this attitude will benefit them as well. If we do not protect consumers, no one will buy our products and no one will want our services.

I should emphatically and categorically say that our intention is to imprison anyone who speculates or participates in profiteering, according to the procedures and norms established by Venezuelan law. I ask consumers to help us fulfill this campaign.

The development minister, supported by the entire government's economic team, will immediately take all the necessary measures to fulfill my order of fighting speculation and profiteering.

Finally, I must point out that the situation of the retirement pensions of employees of the Venezuelan Social Security Institute or of state enterprises is being fully studied.

The announcements that we make today, at the 1 May celebrations as a homage to the Venezuelan worker, are part of the path followed by our promise of consolidating social democracy. It represents another step ahead in the direction of our goal.

Tonight, I must mention that during my government we doubled the minimum wage both in the rural and urban areas. We canceled an old debt with all agricultural producers. We have signed the first contracts -- two of them -- with the Venezuelan teaching body. We established food and transportation bonuses; we reactivated and modernized industrial cafeterias; we canceled debts for over 14 billion bolivares that the former government had with the working sector; the workers received their savings back at the Workers Bank of Venezuela and we granted 8 billion, more than 8 billion, bolivares to that bank to pave the road to its recovery. We established the scholarship-salary system for 50,000 youths; we have signed more collective contracts than in any other period of our democratic history. Between 1984 and 1986 we signed 4,652 contracts that have benefited over 1,100,000 workers at a cost of 66.9 billion bolivares.

We have created over 500,000 new jobs; we revived the care programs for pregnant women and that of giving milk to school children. We created a milk program; we are investing approximately 10 percent of the national budget in direct subsidies; and we have increased the budgets of the health and education sectors.

We are the only government that has repeatedly increased public employees' salaries, as well as that of the Armed Forces' officials, subofficials, and professional troops. I have increased the number of troops in our military contingents. We have built over 200,000 houses; we established the program of neighborhood consolidation; we have increased and regularized public pensioners' incomes', and we restructured our universities by fulfilling commitments acquired by former governments, which had remained unfulfilled for many years. In sum, this is irrefutable proof of actions directed at all levels of Venezuelan workers. At first, this would seem an unnecessary addition to what we are announcing today. However, it is important to remind all those who have bad memories or who have willingly forgotten all about it.

Once again, I must recognize the contribution of workers, businessmen, and people in general in all that we have accomplished. However, I must tell you that the situation has not yet been resolved and that it requires complete understanding and an additional and combined effort.

I also want to reiterate our call for us to continue working together -- workers, businessmen, and government -- on the right path of production and productivity, which is the only way through which we can guarantee harmonious and sustained development. We must ensure that investments increase in the country, that productive assets are replaced, and that our technology and scientific accomplishments increase. Only by creating national wealth can we generate prosperity for all. Prospects are better every day. We cannot hesitate, fail, be defeated by the defeatist preaching that builds nothing, or win by using a mirage. Secure and durable things are never easy, and they require time, determination, and struggle. Venezuela can accomplish this; we are accomplishing it. This is our path, the correct path.

Greetings to all Venezuelan workers on labor day and the best wishes for our people. Good night.

YOUTH WARNED OF MANIPULATION BY MINORITY GROUPS

PA042308 Hamburg DPA in Spanish 1321 GMT 3 May 87

[Text] Caracas, 3 May (DPA) -- Last night Venezuelan President Jaime Lusinchi (Social Democrat) warned of a plan to create terrorist situations in Venezuela. In statements issued in Porlamar, capital of Nueva Esparta, in eastern Venezuela, while he inaugurated various social works, the Venezuelan president referred to the student demonstrations that took place last week in Caracas following the hike in mass transit fares, stating that "enemies of democracy" take advantage of students to carry out their destabilization plans.

He stressed: "I want to reiterate a call to the youths so they do not allow themselves to be deceived or manipulated by minority groups who have been creating these situations, following a perfectly preconceived plan."

BRIEFS

COCAINE CONFISCATED -- Venezuelan authorities have reported that a shipment of 400 kg of cocaine placed aboard a Caribbean airliner at Maiquetia Airport, destined for Miami, was seized by the Curacao police when the plane stopped in Willemstad. The authorities said the cocaine was found in four packages labeled photographic material. An investigation is under way, but no arrests have been made. [Summary] [Caracas EL UNIVERSAL in Spanish 9 Apr 87 p 1 PA] -- The Judicial Technical Police [PTJ] has dismantled the gang involved in the case of 400 kg of cocaine seized in Curacao. This past weekend, the PTJ carried out investigations at Margarita Island and arrested nine people. The people arrested are Eduardo Salas Navarro, general manager of Omega International Company; his son, Samuel Salas; Ramon Pinedo, administrator of Omega International Co.; Radel Perez Ruiz, who was arrested in Margarita; Glenn Gonzalez, worker of ALM Antillean Airlines; Hernan Gil, partner and owner of a discotheque; and the pilots of a private airplane owned by Florentino Fernandez, allegedly the owner of the drugs seized in Curacao. [Summary] [Caracas Television Service in Spanish 0000 GMT 14 Apr 87 PA]

COLOMBIANS ARRESTED FOR DRUGS -- San Cristobal, 14 Apr -- Two suspected drug traffickers, Colombians Alcides Lopez Ramirez and Eliberto Bermudez, were arrested by the National Guard when 3 kg of cocaine were found in their vehicle. [Summary] [Caracas EL NACIONAL in Spanish 15 Apr 87 p D-19 PA]

PRESIDENT VOWS TO DEFEND WORKERS' 'REAL' SALARY

PA041602 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 2 May 87

[Excerpt] At the 1 May commemoration, President Miguel de la Madrid reaffirmed his government's commitment to defend the salaries of the poor. Issuing a call to Mexican workers to protect the country's sovereignty and independence, President de la Madrid reiterated his government's firm commitment to defend the real salary of the working class.

After watching the workers' from the National Palace's main balcony, the president said the struggles of Mexican workers have always been characterized by their nationalism.

[Begin De la Madrid recording] For this reason, there is a proud alliance, based on mutual respect, between the labor movement and the government of the revolution. It is an alliance that also includes the peasants, the poor, and all those who offer their wills and lives to keep the nation sovereign and preserve the main aspirations of the Mexican revolution. The country's independence and sovereignty must be the values we all protect. We must continue to defend them permanently because they are the basic values of the Mexican people. [end recording] The president said the federal government is committed to the Mexican workers.

[Begin De la Madrid recording] At this moment, the government reaffirms its will to defend the workers' real salary and continue promoting social development programs that complement the real income of the poor. [end recording]

De la Madrid said that complementary programs on food, health, housing, and social security will be implemented. He added that there is responsibility, patriotism, and maturity in the Mexican labor movement. He noted that this movement is also responsible for defending the workers' interests. [passage omitted]

NATIONAL BANK ISSUES 1986 ANNUAL REPORT FIGURES

PA041813 Mexico City EL DIA in Spanish 29 Apr 87 p 10

[Article by Maria de Jesus Espinosa -- all figures as published]

[Text] According to a report issued by the Banco de Mexico, 75.3 percent of the real balance of the financing granted by commercial and development banks in 1986 was channelled to the public sector, and the remaining 23.8 percent was granted to the private sector. The report indicated that the banking system's financial flow amounted to 28 trillion pesos, of which 21.1 trillion were granted to the public sector, 5 trillion to the private sector, and 0.9 trillion to finance Mexican exports.

According to these figures, the commercial and development banks' true financing for the public sector increased by 26.3 percent during 1986, while that granted to the private sector decreased by 14.7 percent.

During the same year, the total revenue of the federal government increased to 12.6 trillion pesos, which is 14.6 percent less in real terms compared to last year's figures. This was basically a result of a drop in Pemex' direct taxes.

The total revenue for the public sector amounted to 24 trillion pesos. However, its share in the GNP dropped by 1.5 percent in comparison with 1985.

The public sector's net expense was 35.3 trillion, 2.5 percent more in real terms than the previous year, which amounted to 45.4 percent of the GNP.

According to the Banco de Mexico's annual 1986 report, the total balance of the interest paid for the public debt was the main government expenditure. This figure was 13.0134 trillion pesos, 137.3 percent more than the previous year. However, the domestic debt's interest amounted to 75.3 percent of the total interest paid. This figure was 9.8067 trillion pesos, 162.5 percent more than the 1985 figure.

The interest paid on the foreign debt was 3.2067 trillion pesos, 83.3 percent more than that paid in 1985, but 67.3 percent less than the interest paid for the domestic debt.

The interest payment was higher because of higher interest rates, among other factors, and because the domestic debt increased by 58.4 percent, through the issue of bonds. This figure amounted to 9.8387 trillion pesos at the end of the year.

Because of all this, the financial deficit of the public sector amounted to 12.6856 trillion pesos, which represented 16.3 percent of the GNP and was 179.7 percent higher than the 1985 deficit.

$3 BILLION LOAN GIVEN BY INTERNATIONAL BANKS

FL010155 Mexico City NOTIMEX in Spanish 0006 GMT 1 May 87

[Text] Mexico City, 30 Apr (NOTIMEX) -- The Mexican Secretariat of Finance and Public Credit has reported that Mexico received today $3 billion from international commercial banks which was deposited directly into its international reserves.

With $500 million more and according to the previously established commitment, Mexico paid the contingency loan the World Bank granted it last November.

These $3.5 billion are an advance of the $7 billion loan granted by international commercial banks on 20 March in New York as part of a $13.7 billion package. Some $6 billion will come from the IMF, World Bank, Inter-American Development Bank, and the governments of various countries. The Finance Secretariat indicated that the remaining $4.2 billion will be given to Mexico in 3-month allotments.

The secretariat noted that according to the terms of the financial package, commercial banks will support President Miguel de la Madrid's economic program with $7.7 billion of fresh money.

PRC LEGISLATORS ARRIVE, WILL MEET WITH OFFICIALS

PA041925 Mexico City XEW Television Network in Spanish 1300 GMT 4 May 87

[Text] A group of Chinese legislators arrived in Mexico City yesterday. They will hold several meetings with Mexican legislators to discuss matters of bilateral interest. They will also meet with President Miguel de la Madrid.

Upon their arrival, Huang Hua, top leader of the Chinese parliament, referred to the difficult situation Central America is experiencing. He said his country opposes interventionism in the region and respects the people's sovereignty and self-determination. He explained his country does not supply the Nicaraguan Government and the guerrillas with weapons, as has been reported by the media.

Huang Hua said the good relations between the PRC and Mexico, Nicaragua, and the Contadora Group will not be affected by erroneous statements. He praised Mexico's peace-keeping task and the efforts that it is making to solve the foreign debt problem of Third World countries.

SEPULVEDA BEGINS VISIT TO USSR 4 MAY

For coverage of the visit to the Soviet Union by Foreign Secretary Bernardo Sepulveda Amor, including his arrival and meeting with Andrey Gromyko, CPSU Central Committee Politburo member and USSR Supreme Soviet Presidium chairman, see the Latin America & Caribbean section of the 4 May Soviet Union DAILY REPORT and subsequent issues.

BRIEFS

HEALTH AGREEMENT WITH BELIZE -- Mexico City, 14 Apr (NOTIMEX) -- Ricardo Garcia Sainz, director general of the Mexican Social Security Institute [IMSS], has asserted that Mexico and the countries of Central America and the Caribbean need to continue strengthening the right for good health, protection for the means of survival, and essential social services. The head of the IMSS said this during the signing of a social security cooperation agreement established with A. W. McNab, president of Belize's Social Security Bureau. The agreement will be in effect for 2 years, after which it can be automatically extended for 2 more years. [Excerpts] [Mexico City NOTIMEX in Spanish 0401 GMT 15 Apr 87 FL]

CANADIAN CREDIT LINE GRANTED -- The Canadian Export Development Corporation has granted a $10 million credit line to the Mexican enterprise Industrial Unidas S.A. for the acquisition of Canadian goods and services related to the telecommunications sector. [Summary] [Mexico City EL DIA in Spanish 15 Apr 87 p 8 PA]

4 DRUG TRAFFICKERS ARRESTED -- Chilpancingo, Mexico, 16 Apr -- Army troops have captured four members of a band of drug traffickers known as "The Mexicans," who shot down a light plane belonging to the Attorney General's Office on 5 April. The plane was dusting a marijuana plantation. Its four occupants died in the crash. Other members of the gang managed to escape. [Summary] [Mexico City UNOMASUNO in Spanish 17 Apr 87 p 8 PA]

DELVALLE ADDRESS ON PANAMANIAN BANKING CENTER

PA301843 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Apr 87 pp A-1, A-16

[Text] President Eric Arturo Delvalle proposed Panama as an alternate and permanent center of negotiation between the countries of the region and their commercial banking creditors, "in another effort on our country's part to fulfill its purpose of serving humanity," at the inauguration of the Sixth International Banking Convention of Panama, an event that took place at the Marriott Hotel.

"This proposal is totally compatible with the possibilities, objectives, and scope of the international banking center we have developed in Panama, thanks to our institutional stability, the security and confidence that the banks represented here inspire, and the permanent support of the Panamanian state," the president emphasized.

In regard to the foreign debt problem, President Delvalle said that the foreign debt cannot continue to be decided at offices thousands of kilometers away from our cities and towns and should be based to a much lesser extent on criteria that are often removed from our daily realities, removed from the daily struggle waged by millions of people on the continent to survive in a world that is increasingly difficult and competitive.

Latin America's leaders, President Delvalle continued, agree that the servicing of our countries' debts should be attended to in accordance with certain basic rules that are unquestionable:

Absolute respect for the each state's sovereignty;

The negotiations should be just that -- negotiations -- and not the imposition of one side;

The terms for the payment of the debt should not affect the countries' national economic and social development plans because it is through these programs that the governments achieve more favorable conditions of dignity, decorum, and well-being for their people;

Our countries have demonstrated that they are willing to make a sacrifice. Nevertheless, this sacrifice must be equitable, President Delvalle said.

The president then posed the following questions: How can we ask our peoples to be generous and to make sacrifices when the great powers have continued their uncontrolled arms race, which requires monetary resources several times larger than the entire Latin American debt?

How can we impose restrictions on our farmers, how can we demand greater efficiency from our workers, how can we request greater investments from our businessmen, when the industrialized countries change the "rules of the game" of international trade from day to day, when they adopt inexplicable and unjustified protectionist attitudes to create strong and hateful barriers that often defeat our export efforts, with the consequent discouragement and trauma that this creates for incipient productive forces?

Panama, the president said, has confronted its foreign debt problem with firmness and security, and while it may be true that progress has been made, there is still a difficult road ahead of us.

In another part of his speech, President Delvalle admitted the benefits that the banking center has brought for Panama.

He went on to say that the success achieved through this banking activity, sheltered by the favorable conditions created by Cabinet Decree 238 of 2 July 1970 -- better known as the Banking Law -- has allowed the banking center to increase its assets from $850 million in 1970 to $40 billion today.

He added that domestic deposits increased from $140 million to more than $4.2 billion between 1970 and 1986, and during that same period foreign deposits went from $400 million to $29 billion, our local credit portfolio increasing from $400 million to more than $4 billion.

In conclusion, the president reported that foreign loans that began with $250 million in 1970 currently have surpassed $18 billion despite the difficulties experienced by the Latin American region during the past few years.

Delvalle said that to maintain and strengthen the success Panama's international banking and financial center has enjoyed it is necessary to strengthen the model it has followed by updating its various components, increasing the level of effectiveness at each of the institutions that make up the center, diversifying the center with new activities, contributing to solving our country's economic needs, and promoting its development programs.

"I do not have the slightest doubt that our banking center and its development into an international financial center have a promising future that will depend to a great extent on the creativity, active participation, and enthusiasm demonstrated by the banks represented at this international banking convention," President Delvalle said.

"Today more than at any other time, the continent's peace and our people's future depends on your leadership, the leadership of the private economic sector, the international credit institutions, and the leaders and governments of Latin America," the president concluded.

The working sessions at the Sixth International Banking Convention, which will last until 30 April, will take place at the Atlapa Convention Center.

FDP'S DIAZ HERRERA MAY RESIGN OVER CADE INCIDENT

PA021656 Panama City QUIUBO GRAFICO in Spanish 30 Apr-7 May 87 p 3

[Article by Wilfi Jimenez]

[Excerpts] The possibility that the second in command at the FDP [Panamanian Defense Forces], Colonel [Roberto] Diaz Herrera, may be retired was mentioned the afternoon following his harsh intervention at CADE-87 [Annual Conference of Business Executives] in which he practically scolded Panamanian businessmen for supporting, according to him, a meeting "to overthrow the government and General Noriega."

Following the incident, and when calm returned to the businessmen's forum, Gen Noriega invited the CADE directors "to have a few drinks," where apparently oil was poured over the troubled waters following Col Diaz Herrera having "put his foot in it."

According to what QUIUBO was able to learn from several of the meeting participants, Noriega apologized for his colleague's behavior and immediately drafted a letter on stationery from the Riande Airport Hotel, where CADE was being held, thanking CADE for the invitation to the event and offering FDP participation in similar meetings. [passage omitted]

According to reports given to QUIUBO, the possibility exists that Col Diaz Herrera -- proponent of the FDP's leftist trend -- might retire if by doing so the path to the much sought-after national dialogue is opened. Diaz Herrera is considered "the hardliner" of the military duo, someone who controls real power, and is responsible for the threats to former Presidents de la Espriella and Barletta that brought about their resignations. [passage omitted] QUIUBO has obtained information that is still confidential within political circles and that would indicate that "certain headway" has been made with "unofficial contacts" of FDP spokesmen and political groups to start the long-awaited dialogue that would take the country toward a possible solution of the institutional crisis it is going through. [passage omitted]

DEFENSE FORCES SUE 'LA PRENSA' FOR 'FALSE CHARGES'

PA300439 Panama City MATUTINO in Spanish 29 Apr 87 p 4

[Text] A group of lawyers -- led by Justo Castilla-Bravo, chief of the legal adviser's Office of the Panamanian Defense Forces [FDP] -- who work for the military organization has filed suit against the daily LA PRENSA, which published on 24 April "false information that mars the national and international prestige of our Armed Forces."

The suit was filed yesterday at noon before Alejandro Moncada, the government and justice ministry adviser.

The report that led to the suit was entitled "FDP Prevents Lawyers' Meeting at the Palace of Justice at David," published on the front page and signed by journalist Zoila Rodriguez Jovane.

In their suit, the lawyers working for the FDP request that the government and Justice Ministry "impose the corresponding sanctions on those who are responsible for the false charges" once they are proven.

The lawyers add that in the report in question, "the FDP merely guaranteed the normal development of the administration of justice and the security of the installations and the officials of that public office."

The suit is based on Law No 11, dated 10 February 1978.

'CRITICA' SUGGESTS 'ACTION' TO GET U.S. RESPECT

PA011632 Panama City CRITICA in Spanish 30 Apr 87 p 4

["Firing Line" column by Jose Franco]

[Text] The resignation of our Ambassador to Washington Dominador Kaiser Bazan is the topic of discussion here. [paragraph continues]

It is said that he will be replaced by Professor Juan Antonio Tack or by Aquilino Boyd, etc. In my opinion these are Panamanians who have done honor to our country.

Notwithstanding the indisputable merits of the countrymen already mentioned, the problem is not really who will be ambassador; the problem right now is that the United States has not yet given Panama a satisfactory explanation on the conditioning of military and economic aid to a certification that there will be guarantees for the 1989 elections.

I do not know how long we are going to continue to suffer this type of humiliation and intervention. What is it that they are going to certify? It is well-known that the United States always has interpreted our reality the way it wishes, or the way that suits its interests.

Moreover, Panama's attitude always has been one of goodwill and patience. This has been your attitude, Mr President. This has been the attitude of our foreign minister, Dr Abadia, and this also has been the attitude of our people.

Now, with all due respect I will publicly express my feelings to you: Panama ought to take visible action that would be seen and felt by the Americans and by the country's leading circles. One visible action would be to delay our ambassador's return to Washington until there is a clear demonstration of the respect and justice we deserve from the United States.

We Panamanians are friends of the United States, and for this reason we demand reciprocity. Friendship cannot be a one-way street.

We may not have any material strength, but we do have the moral strength represented by the solidarity of all the countries of the world.

'CHANGES' NEEDED TO ACHIEVE NATIONAL UNITY

PA301953 Panama City LA PRENSA in Spanish 30 Apr 87 p 1-A

["As of Today" column]

[Text] There are a few ranking officials who periodically make eloquent calls for "national unity" as the best way to solve the huge problems burdening the nation. On issues such as the Panama Canal's future, the commitment to refinance part of the enormous foreign debt, and other matters that require urgent solutions, the concurrence of all Panamanians "without distinctions of any kind" is demanded.

Nevertheless, those same officials who demand national unity when confronted with tasks superior to their strength and capabilities repeatedly announce through every means in their power that the country is divided in two groups. One the good Panamanians, the ones who unconditionally are willing to accept any decision the government adopts as valid and timely. The other group is comprised of the "bad Panamanians," the ones who have not surrendered their right to have opinions, to ask questions, to dissent, and to express themselves. It is a strange official way of achieving unity. It is because of this and the bitter experience of a political past too recent to be forgotten that sporadic proposals for a dialogue to achieve a national concensus do not succeed.

As long as the government and especially the Defense Forces do not undergo concrete changes that unequivocally will demonstrate that new paths have been taken, genuine national unity is an impossible dream.

NORIEGA ANSWERS CADE AUDIENCE QUESTIONS

PA040100 Panama City Televisora Nacional in Spanish 0400 GMT 1 May 87

[Responses to audience questions by General Manuel Antonio Noriega, commander in chief, Panamanian Defense Forces [FDP] following address by Lieutenant Colonel Guillermo Wong, FDP, on defense of the Panama Canal before the Annual Conference of Business Executives [CADE] in Panama City, 26 April 1987; questions read by Rogelio Cruz -- recorded]

[Excerpts] [Passage omitted] [Cruz] It is believed that the future efficient operation and defense of the canal will be based on: (a) a democratic government; and (b) professional and apolitical defense forces. What is your opinion? [passage omitted]

[Noriega] The question is: The future efficient operation and defense of the canal is based on: (a) a democratic government; or, [as heard] (b) professional and apolitical defense forces. What is your opinion?

The efficient operation of the canal depends on a sound management by a government, by a government [Noriega repeats himself], period. The canal's defense depends on professional Defense Forces taking action, period.

[Cruz] It is said that there are pressures for the U.S. bases to continue beyond the year 2000. Is that true?

[Noriega] Our conduct and relations with the U.S. Armed Forces in joint and combined operations are very serious, professional, and respectful. As military men, we respect the U.S. forces and demand the same respect from them even though their magnitude [as heard] and troop strength are larger. However, we consider ourselves equals in our land in our field of endeavor. Consequently, as military men we cannot allow pressure from them and they have exerted none. We do not know if at the level of politicians or in the relations with the embassy Ambassador Davis has exerted any pressure on any Panamanian officials or citizens. Therefore, the answer is no.

[Cruz] Here is another question: A few days ago, Gen Noriega, you said that the military men are the only ones who are getting ready and have the capacity to assume their responsibilities in the year 2000. The situation and crisis we are experiencing result from 19 years of military rule over civilians. Do you feel that the evidence of the current disarray constitutes a guarantee of your capacity by the year 2000?

[Noriega] Mr Manfredo [Fernando Manfredo, deputy administrator, Panama Canal Commission] said yesterday when asked a similar question that this was not included in the specifications or parameters of the lecture he came here to deliver. I join in his explanation.

[Cruz] Does the doctrine of the FDP include defense against deforestation? Would the FDP defend the canal against indiscriminate bush burning by peasants? How?

[Noriega] The enemies of the canal's vital force, its engineering and operations system are the enemies of its rain cycle and this includes those who fell trees. We do not think that the deforestation or control over the deforestation whould fall within the framework of a Central American system of extermination of peasants. This is not our doctrine. We do believe in the system of educating the peasants.

We are attempting to implement this system to educate and control through the Forestry Police -- which operates in the canal basin and its banks, at Alajuela [Lake], and in other places -- and through the education plan that Inrenare [Institute of Natural Renewable Resources] will implement to attain this awareness among our peasant forces.

[Cruz] At the beginning of Col Wong's address he said that the theory of defending the canal with 300 policemen was conceived by an opposition politician. However, General Torrijos said the same thing to NEWSWEEK magazine in 1977. General Nutting also said that in Washington several months ago. Ramiro Vasquez Chambonnet, under secretary general of the PRD [Democratic Revolutionary Party], recently outlined a similar position. What is your view on this?

[Noriega] Time is as expedient as Panama's business executives, who decide in a moment that they are not living in the past, because the past is past and the past is yesterday. [sentence as heard] We cannot guess or attempt to guess the future like a fortune-teller because the future will duly arrive. We must live in the present. Plans and studies for the present make a business executive prosperous, prestigious, and relevant. They bring together and increase the capability of the members of an organization. We believe that the reality of 1970, 1960, and 1950 shows that this reality was violently superseded. When World War II broke out, the systems and tactics of the Soviet forces were totally weakened and anachronistic. The United States, which had a more capable military doctrine, helped them. However, at present, to read books on World War II and on the system in Russia's theater of operations is like reading the history of (?Tolstoy). This is because at present the military struggle is being waged in space. We are on a higher level, which is Star Wars.

At present we have another kind of struggle, at the military level, under a different doctrine. In 1970 and 1960 there were no low-intensity conflicts. There now are low-intensity conflicts. Therefore, the opinion a person may have under past analyses ...[changes thought] I do not know whether Torrijos said it or not; I do not remember; and I asked Renato [Pereira, adviser to the FDP] and he said he did not remember either. If we entered or discussed the past, we would read why Gen Nutting had 40,000 men here in the Canal Zone and why, when the treaties were going to be signed, they had 80,000 men, who came here from Fort Bragg. The defense system must correspond with time and space. Here we have technical evolution forcing men to act in the military field with that technical evolution. Therefore, it is neither General Galvin's 200,000 men nor Gen Nutting's 300 policemen.

Why? The police force that exists or that is wanted is a watchman [preceding word in English] policeman.

The watchman [preceding word in English] is the one who makes sure that no one goes and bothers the fence where it says: No trespassing, no loitering, no walking. [preceding six words in English] [laughter] That is the kind of policeman they have there and which, unfortunately, many Panamanians want, because it is the cheapest kind of policeman. However, knowledge of the technology and vulnerability of the Panama Canal is within the capacity of the soldiers who use a computer to analyze all those things concerning the vulnerability due to terrorism, which policemen cannot do. If this were so, then why is there in the United States -- and we do not want to fall into their purview because they may have their analyses and we have ours -- training and preparation of men for antikidnapping forces, their SWAT teams? Why do they exist as a military force? Why? Because in the Panama Canal, in its transit, those who have been able to live 24 hours in any of the locks or any of the transit points, have seen that a Cuban jumps ship every day or that a Russian is involved in espionage, or that any other country -- Libya, and others -- seek technological secrets or secrets of any kind. We see that we cannot limit the Panama Canal to a simple watchman [preceding word in English] police. The Panama Canal has its scope, in defense, which goes from that watchman [preceding word in English] to the strategist, who can, within the evolution of military technology, answer to those security needs and communicate and discuss any area connected with the Panama Canal with another country that is developed militarily. This is a strategic waterway. It therefore deserves a strategic defense, not a police defense.

[Cruz] How many military men do you think are necessary to adequately protect the canal?

[Noriega] Despite any evaluation, we cannot specify a definite number, militarily speaking. We must think in terms of strategic force. Factories needed many workers in the past, but the industrial revolution reduced the number of workers needed in the factories. Nowadays, the electronic and technological revolution continues to replace more and more workers. Robots used in European and Japanese automobile assembly plants now do the work of 50 men. Consequently, we do not insist on numbers; we insist on capability, professionalism, and technology.

No Panamanian citizen -- or any citizen in the world -- can say that, as a military officer, he will need this or that number of soldiers to defend a waterway. We ask: What weapons would those soldiers have? Rifles? What would be the rifles' range? Weapons have evolved considerably and are now quite modern. In fact, weapons are now so modern that the concept of a soldier in a garrison is limited to the technological concept of his mission per se.

Therefore, we insist that we can no longer talk in terms of how many men. We must talk in terms of a force or capacity for a strategic defense.

[Cruz] The United States spends $700 million for the canal's defense, and this does not come out of the Panama Canal's revenues. What is the Defense Forces calculation of the cost to Panama of the canal's defense, and how will these expenses be paid?

[Noriega] That question is as slippery as a banana peel. [audience laughs] Gentlemen, I fully believe in Engineer Vallarino's policy that it is necessary to prepare top-level plans, to hold top-level talks, and to coordinate things at the highest level, because we are all Panamanians and we all want to live in Panama.

Panama is a source of wealth for the majority; at least, that is what I think. This wealth creates more wealth [riqueza generatriz].

Therefore, I urge you not to think of or see the military forces as a caste and say: Well, you are responsible for the defense. The military forces are not the only ones responsible for defense. This canal should not only be defended by the military forces; this canal should be defended by the businessmen, politicians, nationalists, and Panamenistas. This canal must be defended by the men who love this country, who live in this country, and who depend on this country. No one should consider himself isolated or immune; no one should believe that if something happens tomorrow or the day after he will not have a duty to fulfill. No way!

The bells will toll for all those who failed to act when they should. That is why I urge everyone to change the belief that you only have to ask: What will the military forces do? No! What will you do? Better said: What will we do as Christians? This works both ways. Therefore, this is based on civilian-military administration; this is based on the military and civilian sectors' responsibilities.

The United States is a mutation [mutacion] in our hisory, so we cannot possibly try to mix a budget which corresponds to the U.S. Southern Command -- which covers an area from here to Patagonia -- with a Panamanian defense which is entirely our own responsibility and covers the area inside our borders with the Pacific Ocean, Atlantic Ocean, Costa Rica, and Colombia. Our hegemony, our actions, and our territory do not extend to the Malvinas, gentlemen.

[Cruz] Is it realistic to think that the Defense Forces will occupy -- upon conclusion of the treaties -- all the installations which must be vacated by the U.S. Armed Forces? If this is not the case, do the Defense Forces have plans so that these installations may be used by civilians?

[Noriega] The U.S. concept of defense does not only include the canal, which I mentioned. In other words, the U.S. Southern Command has other duties. There are installations which are used for other functions. Therefore, this fact should be kept in mind by the Panamanians, administratively speaking, administratively speaking [repeats himself] -- I am not talking about military functions -- when deciding the military forces' role and when they should act.

For example, I could say right now -- and this should not be taken literally or cause a debate -- that there is an area the United States uses for analysis or experiments in chemical warfare. This is an example. We will use this hypothesis and say the area exists. Well, if the area should exist why would the Panamanians need that area if we do not engage in chemical warfare? Consequently, reality will tell us -- through administration and discussions like the one we are having right here -- which areas truly represent vital points and which means are specifically needed for the canal's defense.

Therefore, there is nothing definite or systematic. There is nothing definite on whether we will have to use all the areas currently being used by the United States or not.

[Cruz] Diogenes de la Rosa yesterday mentioned the possibility of renegotiating the neutrality treaty. What is the Defense Forces' opinion on this?

[Noriega] The canal is a... [changes thought] the canal, the canal [repeats himself], the canal negotiations represent historical events that date back to 1903 and involve several generations. Some of the greatest men in our history -- for example, Dr Diogenes de la Rosa, who is here today, and several others -- have participated in the canal's negotiations. Many of those men participated, in their different areas of expertise, when the Torrijos-Carter Treaties were written. The role of treaty negotiator corresponds to a specialty in itself, and I want to respect the specialists by remaining neutral. Since the topic will be discussed by Dr Emilio -- correction -- Julio Linares, who has vast experience on the matter as a result of his lectures at the university, I think that this topic should be set aside for Dr Linares.

[Diogenes de la Rosa, canal treaties negotiator] All I have to say is that my proposal is the result of a process of reflection that I began the very same night that the Torrijos-Carter Treaties were signed in Washington. I attended the ceremony, and Gen Torrijos was seated in front of me, more or less like Gen Noriega is seated today. My reflections, which lasted many months, were inspired by Gen Torrijos' statement that the neutrality treaty put us under the Pentagon's atomic defense plans. I talked with Gen Torrijos several months later. I talked with him in Febraury -- he died that same year -- upon my request. I told him that I had an idea that I wanted to discuss with him.

I explained the idea with the clarity that I explained it yesterday. Gen Torrijos told me to keep the idea in mind because we would discuss it later. His attitude implied that he had accepted the idea -- at least when we discussed it -- but we could not talk later because he died. However, I can solemnly state -- with full responsibility as a Panamanian -- that Gen Torrijos did not deny the value of that proposal. He told me: We have to study the proposal; keep it in mind. Several months later, while in Washington, a person who was very dear to the general brought me the following message: The old man says that he has analyzed the idea, and you will soon meet to talk about it. I swear this upon my honor.

[Noriega] I would like to comment on Dr Diogenes de la Rosa's proposal. It is quite interesting, and because it is his proposal, it represents a position that defends the Panamanians' interests. As such, it involves many things; I believe that it is worthy of another meeting in which we would have a modern version of Dr Diogenes de la Rosa's thesis. I am sure that certain things have changed, and it includes guidelines for other treaty negotiators or strategists -- who perhaps do not see it as such. We would then discuss who is currently in charge of the canal and establish the basis for its defense to draft a new treaty. I am sure that... [corrects himself] I am not quite sure that the United States would want to do this.

[Col Roberto Diaz Herrera, Defense Forces chief of staff] I would like to tell our friend Vallarino -- with my commander's permission -- that we began by focusing on another topic, but no one is responsible for this. However, I think that the topic assigned to the Defense Forces staff is, quote -- Topic 4: The Canal Defense. Is it defendable? -- unquote. Col Wong was assigned the topic, quote -- The Canal Defense. Current Situation and Outlook -- unquote.

To be frank, I think that we failed. I sought out my friend Vallarino and his group of organizers because I see that -- we could have said it quite clearly, too -- according to the prevailing atmosphere, the topic should have been: How to oust the current government and Gen Noriega.

We would then have been reflecting on the exact feelings that seem to prevail among several persons here -- at least a group of them. We must be sincere about this.

[Cruz] The last question is this: Retired General Matters believes that Panamanian extremists pose the worst threat for the canal. Does this mean that the Defense Forces of Panama are contractors defending U.S. interests?

[Noriega] Regarding this question, we could say that... [changes thought] if we are talking about the same person I know -- he was here and was commander of the U.S. Southern Command. [sentence as heard] I consider him to be a great soldier. He is an old soldier who participated in World War II and waged a real war. However, during his stay in our country, we were afraid of progressive and intellectual men, and there prevailed an ideological persecution in various aspects. We did not know who was persecuted as a politician and who was persecuted as an ideologist. Different times prevailed then, and the outlook was different concerning Panamanian extremists.

Today, meaning 1987, we can see... [changes thought] we must thank God that we are not a country like El Salvador -- will the Salvadorans please excuse me -- or Honduras or Guatemala or Colombia or Chile or Argentina. I say we must thank God because the companies operating in our country have never suffered attacks by those so-called Panamanian extremists who are mentioned by Gen Matters. Panamanian extremists have never acted, based on their ideologies, against anyone's security -- not even the Americans -- so that this could be used as a banner for extremist movements. They instead have contributed toward attaining security in the area. Consequently, we must reject the concept that the United States, or any other country in the world, wants to put a label on us. We can judge our own citizens but we cannot accept other nations' judging our citizens in their own terms.

FREE ZONE TRADE RESTRICTIONS POSTPONED; MEETING

PA041648 Panama City Circuito RPC Television in Spanish 1730 GMT 2 May 87

[Text] Today official sources said that the restrictive measures imposed by the Central American countries on products coming from the Colon Free Zone will be suspended until 31 May and that a meeting regarding this will be held on 21 May. Dorothy de Sing, deputy commerce and industries minister, said the following:

[Begin recording] As the public knows, a meeting had been scheduled to be held here in Panama. However, we had to hold the meeting in Guatemala. We went there yesterday and met with the economic ministers of El Salvador, Honduras, and Guatemala. Fortunately, we reached a satisfactory solution for both sides. I will be giving further details in a news conference on Monday afternoon. In any case, because the measure was going to take effect tomorrow, I can tell you that the solution that has been found is satisfactory for all concerned parties. [end recording]

GUATEMALA

GOVERNMENT NOT TO NEGOTIATE SALARY INCREASES

PA012258 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 1 May 87

[Text] The government is not going to consider negotiating for salary increases this year. It is prepared to negotiate other measures, but it is necessary that the de facto measures now in effect be lifted. This was stated today by President Vinicio Cerezo.

The president was interviewed at the conclusion of his tour through the installations of the modern Social Security Hospital in Zone 6, which was dedicated this morning.

Cerezo was asked about the situation produced by the illegal state employees' strike. He said that the way of handling the situation has been wrong. He noted that it is necessary to learn how to use the method of democracy: search for agreement, dialogue, talks, and, especially, to place the interests of the people ahead of personal interests.

Cerezo Begins Firing Strikers

PA011936 Paris AFP in Spanish 0241 GMT 1 May 87

[Text] Guatemala City, 30 Apr (AFP) -- Guatemalan President Vinicio Cerezo announced that the "irreversible" dismissal of public employees, who have been on strike for 4 days, starts today. Cerezo warned that the dismissal actions would continue and urged the government employees to change their attitude because "we are going to act with all the necessary firmness and under no circumstances are we going to change our minds."

The employees are demanding a monthly salary increase of $40 and the removal of high-ranking government officials, among them the finance, economy, labor, public health, and education ministers.

The Guatemalan leader said that "an employee will only be rehired" by judicial order and reiterated that "there is no possibility of granting the salary increases." He explained that "the possibility of removing the officials will only be discussed after the employees end their strike and return to their workplaces."

Meanwhile, a climate of tension reigns in the Guatemalan capital on the eve of the International Labor Day celebrations. Labor leader Juan Alfaro, secretary general of the Guatemalan Confederation for Trade Union Unity (CUSG) -- largest union in the country -- states that "it has been detected that the Christian Democratic Party (ruling party) is attempting to infiltrate activists in Friday's demonstration to provoke illegal actions which would then be attributed to the workers."

The strike extended today to various departments, and it is expected that social security and banking sector employees will join on Monday. An estimated 75 percent of the 260,000 public employees favor the strike.

DEFENSE MINISTER ON 'EXTENSIVE' TIES WITH ISRAEL

TA231100 Tel Aviv HA'ARETZ in Hebrew 23 Apr 87 pp 1, 2

["Exclusive" report from Guatemala by Yo'av Qarni]

[Excerpts] Guatemala -- The Guatemalan defense minister says that his country has "extensive military relations" with Israel which are not conducted on the government level, but through private Israeli businessmen.

General Hector Alejandro Gramajo Morales made these remarks in an interview held at his office in the Guatemalan Government Palace. He was asked whether Israel helps his Army overcome the serious shortage in spare parts it has been suffering. "We have extensive relations with Israel," Gen Gramajo Morales said, "and in that respect we receive several basic items for our Army. We enjoy those relations, which are mainly of a business nature."

Asked whether Israel was a main source of supply to Guatemala, the general replied: "It is a source of supply, but I would not say that it is the only one, and I would not say that it is the most important one." [passage omitted]

"We have Galil rifles, Arava aircraft, and Israeli-made communications equipment in our stockpiles. We have regular supply relations (with Israel), we maintain good ties, and we work together on these issues," the Guatemalan defense minister added. Asked whether these supply relations were conducted directly with the Israeli Government, the Guatemalan general said: "Your system is one of free enterprise. Relations are with manufacturers of military equipment." Asked whether he would prefer direct relations with the Israeli Government, Gramajo Morales smilingly replied: "I would rather not divulge my preferences." [passage omitted]

The Guatemalan defense minister said in the interview that the Guatemalan Army was making progress toward solving its problems. "It is also a question of financial resources," he said. "We now have the resources, but such international logistics take time.... We are going to solve our logistical problems -- not very soon, but soon enough."

"We do not depend on military aid to succeed or to enhance our abilities," the Guatemalan defense minister added, "even though we welcome military assistance from diverse sources. We rely on our own resources and abilities." [passage omitted]

Questioned about whether his country is interested in buying additional military equipment -- aircraft or warships -- from Israel, Gen Gramajo Morales said: "We will be interested in everything in the future." That was also his reply to the question of Guatemala's interest in Israeli military advisers. [passage omitted]

The official Israeli presence in Guatemala is currently limited to a small embassy with two diplomats. However, the private presence is much larger and is involved both in matters of security and business.

In a separate interview, Guatemalan Foreign Minister Mario Canones Mesquita described his country's relations with Israel as "excellent," but complained that "Israel hardly buys anything from Guatemala." He said that President Marco Vinicio Cerezo plans to visit Israel in 1988.

No reaction could be obtained from the Israel Embassy in Guatemala about the interviews with the defense and foreign ministers.

HONDURAS

U.S. 'PROVOKING' HONDURAN ENMITY FOR NICARAGUA

PA302020 Paris AFP in Spanish 2331 GMT 29 Apr 87

[Text] Tegucigalpa, 29 Apr (AFP) -- Juan Lopez, Honduran communications, public works, and transport minister, today accused the United States of "provoking" Honduras into confronting Nicaragua in a war in which "we would have to contribute the dead because the North Americans would only contribute the armament."

The United States treats this country "rudely" and the authorities "should be more zealous and not let us be humiliated in our own house," Minister Lopez said after reiterating that the U.S. Government "tends to provoke a sitution so that Honduras will wage a war" on Nicaragua.

The member of President Jose Azcona's government said that Nicaragua's current situation "was instigated by the United States." The minister complained that while El Salvador receives bigger economic and military aid from the United States, Honduras, "which is its loyal ally, is treated very rudely."

He said that "when we pass in front of the U.S. Embassy and see people in long insulting lines trying to obtain visas, we think that the United States should have more respect for the Hondurans." The high-ranking government official said that "the Honduran authorities should be more zealous in this regard and not permit us to be humiliated...and what is worse, in our own house."

Nevertheless, Lopez did not totally agree with Carlos Montoya, president of the Honduran Congress, who said over the weekend that Honduras will seek support in Europe and the Socialist bloc "because the United States does not maintain a lasting solidarity."

Montoya questioned the U.S. Senate's Foreign Relations Subcommittee opposition to the sale to Honduras of 12 F5E airplanes and the elimination of a special allocation of $300 million for Central America and the reduction from $65 million to $55 million in the aid to Honduras by the U.S. House of Representatives.

Minister Lopez also described the possibility that Honduras might lean toward socialism as "absurd" becase "it is not advisable and what the country needs is to be liberalized so that the democratic system will be strengthened."

GENERAL REGALADO HAILS WORKERS ON 1 MAY

PA022019 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 1 May 87

[Message to Honduran workers by Brigadier General Humberto Regalado Hernandez, commander in chief of the Honduran Armed Forces, on 1 May -- recorded]

[Text] At the present time it is necessary and important for men to work to improve their living conditions, thus breaking the chains of backwardness, poverty, and neglect, ensuring for themselves the enjoyment of a dignified and decorous life so that their most important accomplishment will have been precisely the full achievement of their own liberty.

I greet all Honduran workers with the deepest emotion. As the spokesman of the nation's Armed Forces, I am honored to express our highest regard, reiterating that the people's Armed Forces and the Honduran workers' powerful arm are linked in the goal of consolidating the workers' achievement, in the defense of the people's rights, for the strengthening of the democratic process, and for the country's peace and well-being.

The workers are an essential part of the nation's development. In their effort to achieve high levels of material, cultural, and spiritual progress, it is undeniable that they have become the choice targets of antipopular political forces that proclaim the need for the armed struggle as the only way to solve society's problems, and generalize that the doctrines and tactics of terrorism are adequate means to achieve their goals, goals conceived in the extremist minds of subversive groups of questionable patriotism.

With their Marxist-Leninist theories, these antipopular forces say that violence is necessary to transform the position of the working classes. In other words, they contend that violence has therapeutic qualities that in themselves can prepare the working classes to govern. This is in keeping with Marx' idea that he did not expect to carry out his planned society through any other means than by violent insurrection. This is how the new class would be installed, over piles of dead bodies and the people's grief.

Liberty would be destroyed and democracy crucified because a tyrannical terrorist government would destroy the solidarity, cooperation, and interdependence upon which social coexistence is based, substituting for these qualities fear, insecurity, and distrust of the macabre pillars of a regime of oppression, brutality, and death.

Nevertheless, I believe that to successfully confront the subversives' attacks, the workers and democratic institutions require an ideological promotion of their cause. They need an organization that is solid, that understands the people's aspirations, that has effective daily work plans, that is capable of mobilizing and guiding large masses toward the lofty goals of social, political, and economic developments, upon which the progress and greatness of a nation are founded.

I feel, therefore, that it is necessary to avoid the injustices that end human lives and hinder basic freedoms. It is necessary to responsibly investigate causes with underlying violence because they often result from poverty, frustration, resentment, and desperation, and lead men to sacrifice their lives by attempting to effect radical changes in society with only the remotest hopes of a better future.

Accept these reflections, my friends, as a brotherly message and as a testimony of the deep affection the Honduran Armed Forces and I have for the men and women who work, who are in solidarity with the militant and democratic structures, who celebrate today another day of struggles and achievements, who persevere in work which makes them more dignified, and who are proud of their class. They know that work is their hymn of victory in the struggle for collective success. Health and congratulations, my working friends.

NICARAGUA

CONTRAS ATTACK TUGBOAT, BARGE; 7 MISSING

PA022343 Managua Domestic Service in Spanish 2305 GMT 2 May 87

[Text] A tugboat and a barge carrying vegetables have been destroyed by the counterrevolution in a criminal action.

We now provide additional details: Anibal Dominguez, an official of the Nicaraguan Enterprise for Coastal Shipping, ENICAB, has confirmed that the tugboat Jose Humberto and a barge that carried vegetables from Rama to Bluefields have been destroyed. The criminal action was perpetrated by the counterrevolution yesterday afternoon in the zone of Mahogany, Rio Escondido.

The tugboat's captain, Juan Ruiz, two of his crewmen, and four people traveling in the barge have not yet been found, so it is believed that they have been kidnapped. The craft was worth approximately 150 million cordobas, in addition to the loss of approximately 100 million cordobas of vegetables.

The Ministry of Transportation office in Bluefields reported that the so-called barge was carrying approximately seven truck loads of vegetables and other perishable products being sent from Managua to supply the local population. Local vegetable merchants -- including Delcia Melendez, Alfonso Brito, Barbara Perez, and others -- said that the contras' actions are not aimed against the EPS. Instead, the actions are aimed against the people and cause more shortages and a lack of products, particularly foodstuffs.

TIRADO 1 MAY INTERNATIONAL LABOR DAY RALLY SPEECH

PA020040 Managua Domestic Service in Spanish 1628 GMT 1 May 87

[Speech by Commander of the Revolution Victor Tirado Lopez, member of the FSLN National Directorate, at 1 May International Labor Day rally at the Plaza of the Revolution in Managua -- live]

[Text] Brothers of the National Directorate Jaime Wheelock and Bayardo Arce, comrades accompanying us on the occasion of the IPU Congress, brothers of the Nicaraguan working class, and comrades workers:

The idea of the socialist movement and the revolutionary movement for the transformation to a just and dignified life is not new. It did not begin just now. It began from the moment when man fought to satisfy his material and spiritual needs.

The world's revolutionary labor movement has had to go through different stages to gain the necessary experience and to achieve a revolutionary victory.

The organized labor movement took its first steps to implement its scientific theory and practice through the French Revolution in 1848. That was when the proletariat first showed that it was capable of gaining access to power to lead the destiny of a society under more just, egalitarian, and human conditions.

Later, 16 years later, the first international association was created in 1864. This association was an organization that comprised all the revolutionary minds within the European labor movement. Seven years later, the most important achievement of the European labor movement, the Paris Commune, was born. It was a movement that led the proletariat through various situations and types of struggle to change the conditions for a more just system. It was a movement of social demands. An expression of this was, in the first place, the struggle of the Chicago workers which we are commemorating today, 101 years later, on this great heroic day.

This great Chicago struggle also was expressed in the first efforts of the Latin American proletariat to challenge the power of the bourgeoisie.

After the defeat of the Paris Commune and the last 30 years of the past century, there were big battles and the labor movement learned new lessons. In the first 14 years of this century, conditions were created in the capitalist world and World War I began. However, the labor movement kept learning and, after gaining many experiences and suffering many defeats, it achieved its first great victory: the Great October Socialist Revolution.

The October revolution does not only belong to the Russian proletariat. This revolution also shook the foundations of the imperialist colonial system in Africa and Asia, primarily.

Big battles were fought between World War I and II. New forms of struggle were discovered and at the end of World War II the world socialist system was consolidated and the last steps were taken to put an end to the imperialist colonial system.

To reach the present stage, the labor movement had to go through great struggles [words indistinct] in the first place. Historic moments of this century are the Great October Revolution, the 1949 Chinese revolution, the 1959 Cuban revolution, and the 1979 Nicaraguan revolution. Of course, we are taking into account the defeat suffered by U.S. imperialism in Vietnam approximately 12 years ago. In fact, it was 12 years ago yesterday that this great victory was achieved by the Vietnamese people. [applause]

This is a profound period for the internal revolutionary [words indistinct] movement and particularly for the national liberation movements.

Comrade workers, in his FSLN message addressing revolutionary students in 1968, Carlos Fonseca said: Let us proclaim that our main intention is to return to the workers and peasants, all the workers, the wealth that was snatched away from them through violence. National independence and the defeat of foreign imperialism are prerequisites for the building of a new world [words indistinct]. In the search for this new life, we are guided by Karl Marx' principles.

Comrades, we are celebrating this International Labor Day not only to commemorate this historic date, but to meditate on the country's situation and the situation of workers in the world. The great tasks faced by the Nicaraguan labor movement and the problems it is facing and that it must resolve depend on this meditation.

We are full of old and new problems that become complex due to the aggression that the U.S. Government has been carrying out against our country for the past few years. It is an aggression that is military, economic, and diplomatic. It is an aggression that is increasing and that is leading to an invasion that lacks the support of the international community and the U.S. people.

But in spite of this rejection, President Reagan maintains this aggression as proof of his arrogance and his disregard for world opinion and his own people. It is also proof that he only believes in force and in violent solutions. This attitude has cost Nicaragua more than 40,000 lives.

It also has claimed the lives of nine European volunteer workers and U.S. citizens. The most recent case was the killing of Benjamin Ernest Linder carried out by Reagan's mercenaries with U.S. weapons and bullets.

Linder represented everything that Reagan is not. He embodied the best U.S. traditions: the democratic, solidaristic, and internationalist spirit.

Linder did not bring death or destruction. He came here to build, to contribute to the construction of a new society. He was born in Portland, Oregon, the same town in which John Reed was born. Reed was a U.S. journalist who enthusiastically and firmly supported the causes of the Mexican and Soviet revolutions. Linder was from the same city and of the same sound stock as Reed. In this ceremony, we also want to render homage to Linder, and we express our recognition and gratitude to him.

Linder symbolizes the future of the relations between Nicaragua and the United States, because the day will come when the two countries will have friendly relations of cooperation and mutual respect. Linder contributed to this. He gave his life to attain that goal. His contribution is deeply engraved in the heart of the Nicaraguan people and in the heart of all the volunteer workers of the world.

Comrade workers, the direct and indirect losses that the counterrevolution has caused to our economy add up to over $2.8 billion, but more important than the economic losses are the losses of human wealth, which adds up to 40,000 lives, including dead, injured, and missing people. Many of them were workers who would still be giving their contribution to creative [words indistinct] work if they were alive. Their work would represent at least 240,000 cans of coffee per day, 240,000 tons of sugarcane per day, and over 60,000 quintals of raw cotton per day.

Comrades, the war has created a very difficult economic situation. Reagan has been implementing a policy through which he intends to make the Nicaraguan workers rebel against their revolutionary government. He is trying to atain this goal through a policy of an economic slowdown. However, this, like many other strategies, has failed, is failing, and will continue to fail. [applause]

Why? Because the Nicaraguan workers have responded to the aggression and to all kinds of blockades by making greater efforts through improvisation and the establishment of economic brigades, by extending the working day and index of ownership [indice de propiedad] and by doing voluntary work. The response has been vigorous and overwhelming, but Reagan does not understand. However, workers and peasants are not confused; they have not gotten lost. They have acted according to the interests of their class and of the Sandinist people's revolution.

Under the present conditions, within a framework of economic survival, of the struggle for the country's survival and the maintenance of our sovereignty and independence, the first great task of the Nicaraguan workers is the military defense of the nation and the revolution. It is a patriotic task that was undertaken without hesitation. It involves sacrifices and almost superhuman efforts. Consequently, to accomplish it we have to ue not only our courage and energy, but also our intelligence, initiative, and cleverness. We have to display all our physical and intellectual resources. The results of the entire ideological work, at the center of which is the economic survival of the revolution, are measured by those efforts and actions.

All our efforts for the military defense of the revolution show positive results. Militarily speaking, the counterrevolution is in visible decline and recession.

Disappointed by the defeats they have experienced in the military field, the mercenaries had directed their actions against the civilian population and the country's economy. They hope that this work of attrition will bear fruit, but it has been fruitless and will continue to be fruitless, because those are not actions that will defeat the revolution, the working class, or the Nicaraguan people. Those who represent the worst of our past have neither a present nor a future.

A second task, just as important as the first one, derives from our main task: the defense of our economy through organized and efficient work. We have to produce at lower cost and improve the quality of our products. We have to continue extending the work day and increasing production and productivity. We cannot forget that an increase in workers' wages depends on their efficiency, because only an efficient worker will receive his incentives.

Improvisation and the establishment of economic brigades are a response to the imperialist aggression; they are an original creation of the Nicaraguan workers. In their desire to resolve the complex and difficult problems created by production in each of their work centers, you have marked one path, you have pointed to a path which is the right path to follow, the path that you should continue following. It is necessary to increase the number of economic brigades and innovators to eradicate disorder, inefficiency, bureaucracy, routine, black markets, and speculation. This should be another battle of the Nicaraguan revolutionary labor movement.

Those are the vanguard workers, the ones that work overtime to increase productivity with discipline and efficiency and to contribute to the defense of the revolution with good products. Those workers are the ones that carry out all agricultural works like worthy and legitimate children of Sandino.

There is no doubt that in compliance with the economic tasks, at least for the last 2 years, workers have achieved remarkable progress, of which we are proud and which enthuse us, and which open the possibility of attaining new goals. For instance, work could continue to be improved, work standards could be set higher, and the work quota equivalent to the fulfillment of all economic tasks could be stabilized. The idea is, therefore, to regulate the survival economy.

Companeros workers, on this memorable day, [words indistinct] of the Chicago martyrs, Nicaragua is constructing a new society. The construction of a new society demands from all workers, both rural and urban, intellectuals, professors, physicians, etc., their best efforts to turn our sacrifice into vigorous actions, applying in full force the ideological teaching assimilated through experience prior to the triumph of the Sandinist people's revolution. Our country demands that the workers, peasants, and the country's basic forces fully participate in a social system. The economic proposals offered at this time and at this stage of economic survival are not to resolve the grave economic problems that we experience. These solutions are not feasible for the time being under conditions of war, aggression, and economic and financial blockade.

To solve the difficult economic situation we are experiencing we must have peace and an end to the war. Only then can we begin to reconstruct the country, a task we began in the first years of the revolution, but which had to be postponed because of the violent aggression the Reagan administration launched against Nicaragua.

This damage also affects the Central American countries' regional economy and integration. For this reason, we appeal to you to ponder the economic problems. Our economic reality cannot be kept separate from the problem of war.

No one in Central America yearns for peace more than we do. To achieve it, the U.S. Government should not intervene in our domestic affairs and should respect the international legal order.

These are the demands supported by the international community, the Contadora and the Support Groups, the OAS, the United Nations, and the IPU, which meets here in this room. The IPU meeting, attended by representatives of more than 80 countries, acknowledges Nicaragua and its revolution. Representatives of all the world, no matter what the nature of their countries is, are here to talk with the representatives of all political, ideological, and religious trends in Nicaragua to get an idea of what really happens here. The delegates are entirely free to move, talk, and meet with whomever they desire. We have nothing to conceal. We have nothing to be ashamed of. The only thing we lack is peace, because a war has been imposed on us through Mr Reagan's decision. We want to work in peace and for peace; we do not want to work in war.

Companeros, on International Labor Day we reaffirm that the principles of the Sandinist people's revolution constitute a strong and influential force in Third World countries. They will never be destroyed; quite the opposite, they have been enriched and continue to be enriched through the new teachings and the new victories of other countries that have achieved victory.

On this 1 May, we want to confirm our trust in the labor class, the peasants, the cooperative movement, the professionals, health workers, teachers, and students who, led by the undisputed vanguard of our peoples, that is to say the FSLN, have stepped forward to take charge of the tasks that this process demands. What an example for the international labor class, because nobody surrenders here! Long live 1 May! Long live International Labor Day! Free homeland or death!

SANDINIST SOLDIERS OCCUPY 'LA PRENSA' INSTALLATIONS

PA011932 Panama City ACAN in Spanish 2125 GMT 30 Apr 87

[Text] Managua, 30 Apr (ACAN-EFE) -- Today, the opposition newspaper LA PRENSA was occupied and searched by the military as part of an investigation involving the publication of a clandestine leaflet claiming lack of freedom of the press in Nicaragua.

During the 3-hour military occupation of the newspaper, which was closed down indefinitely by a government order 310 days ago, soldiers seized approximately 1,000 sheets of paper and questioned the personnel at the paper's installations.

Violeta de Chamorro, the newspaper's president and owner, said that all the personnel there, including Vice President Carlos Hollmann and herself, were questioned, some in written form. She added that they realized that even their personal activities are being observed.

Carlos Hollmann said that the military accused them of editing a "clandestine newspaper" for which they do not have a government permit. Hollmann added that they are now awaiting a sanction from the authorities.

No arrests were made during the military operation that involved 10 armed soldiers led by an officer.

The leaflets were aimed at participants in the IPU congress, that is, at the meeting of more than 1,000 delegates from 88 countries that has been taking place since Monday in this capital. In those leaflets, LA PRENSA urged them to support their newspaper's demand for freedom of the press.

Violeta de Chamorro initially reported that she was denied access to the newspaper building, which is located in the northern outskirts of Managua. She added that this military occupation of her newspaper constitutes "another violation of freedom, which has intensified in modern day Nicaragua."

Newspaper leaders described the leaflets as "posters" [preceding word in English]. They said that those leaflets were distributed as "welcome greetings" among delegates participating in the IPU assembly and to embassies in the capital.

They added that from their viewpoint, they did not need a permit from Managua authorities to print that material aimed at the parliamentarians. Newspaper leaders also expressed surprise at not receiving any warning prior to the occupation and for the description of the leaflet as clandestine, because the Nicaraguan state television had already reported its circulation days ago.

The leaflet edited by LA PRENSA, which is headed by a quote from newspaper founder Pedro Joaquin Chamorro, states that "without freedom of the press there is no freedom." It also denounces the "arbitrary closure" of the newspaper by the Sandinist government.

The leaflet adds that LA PRENSA sends greetings to all IPU members, demands the solidarity of the free world, and urges democrats visiting our country to support the popular clamor of the Nicaraguans, who are demanding freedom of the press."

"Without freedom of the press there is no democracy; without democracy there is no parliament," LA PRENSA's message to the IPU parliamentarians states.

LA PRENSA, a newspaper founded 61 years ago, was closed down by the Nicaraguan Government on charges of being the mouthpiece of the U.S. Administration. Violeta de Chamorro has replied that the closure stemmed from the fact that the Sandinists are unable to coexist with an independent newspaper.

U.S. IMMIGRATION LAW CONTINUES TO CREATE TENSION

FL041810 Havana Radio Rebelde Network in Spanish 1700 GMT 4 May 87

[Text] Only 24 hours before the Simpson-Rodino Law will be implemented in the United States, the tension continues to grow because approximately 4 million illegal aliens, mostly Latin Americans, may be expelled from the Union. The new law establishes punishment for employers who may hire an illegal alien. These punishments go from $10,000 fines to several years in prison.

The people are not thoroughly familiar with the Simpson-Rodino Law, but its racist nature is clear. Reagan himself said that the dark foreigners are taking over the United States and we are losing our control over the border.

Mexico will be the most affected of the Latin American countries since its long border with the United States makes it easier for Mexican citizens to cross it and apply for temporary jobs on U.S. farms.

The problem of the Latin American immigration to the United States is a direct result of the exploitation of the economy of those countries by Washington and the North American transnationals. To this we must add the well-known U.S. economic policy that uses various means, especially the foreign debt, to maintain the dependent nations in misery and underdevelopment.

According to many, it will be very difficult to implement the Simpson-Rodino Law for these reasons: What will the Reagan administration do with the thousands of counterrevolutionaries who have their homes or offices in Miami? What will it do with the Somoza and Batista followers and with the scum who are guilty of all sorts of crimes? Thousands of anti-Sandinists have demonstrated in Miami demanding amendments to the new immigration law while, at the White House, Reagan's advisers are studying ways to keep their proteges from being touched by law.

However, it is felt that the U.S. Congress will be the scene for more battles between those who demand the strict implementation of the law and those who follow Reagan's orders.

REAGAN 'DEFYING' CONGRESS IN CONTRA AID

FL041321 Havana Radio Progreso Network in Spanish 1100 GMT 4 May 87

[Text] President Ronald Reagan has reiterated in New York that until the end of his term he will continue to support the bands that seek to overthrow the Nicaraguan Government. The President was speaking to the American Newspaper Publishers Association. He used the occasion to try to capitalize on his request to Congress for an additional $105 million to rearm the Nicaraguan Contras this year. As if defying congress, Reagan declared that the Senate must choose between communism and democracy in Nicaragua.

SOVIET, IRISH OFFICIALS ARRIVE FOR TALKS

FL041523 Havana Tele-Rebelde Network in Spanish 1335 GMT 4 May 87

[Text] Georgiy Kolmogorov, candidate member of the CPSU Central Committee and chairman of the USSR State Committee for Standards [Gosstandart], arrived at the Jose Marti International Airport early today.

Ramon Darias, minister president of Cuba's State Committee for Standardization [CEN], and other officials were on hand at the airport to welcome him. Kolmogorov is visiting our country to meet with his Cuban counterpart and discuss the present status and prospects of economic and scientific-technical relations between the USSR's Gosstandart and Cuba's CEN.

Arriving on the same flight from Shannon were (Liam Hyland), member of parliament and chairman of the finance committee of the Irish parliament, and his delegation. Mr (Hyland) is here at the invitation of the National Assembly of the People's Government of Cuba. He will visit several places of economic and cultural interest during his stay.

UJC'S ROBAINA RETURNS AFTER WORKING VISITS ABROAD

FL012132 Havana Tele-Rebelde Network in Spanish 1100 GMT 1 May 87

[Text] Roberto Robaina, member of the Communist Party of Cuba [PCC] Central Committee and first secretary of the Union of Young Communists [UJC], arrived at Havana's Jose Marti International Airport during the predawn hours of 1 May, International Workers Day, after paying various official working visits to several countries.

Robaina headed the Cuban delegation to the recently-held youth congress of the Popular Liberation Movement of Angola-Party of Labor [MPLA-PT] and the 27th congress of the Leninist Komsomol. He tells us about his experiences:

[Begin Robaina recording] First, the congresses were very interesting events related to the reality of the Angolan people and the Soviet youth and people. In general, they were very critical about the problems of the Angolan youth and the Komsomol. I believe they reflected the problems the two countries are experiencing. A very deep discussion of their problems was conducted. Not only a deep discussion of their problems but also a solution and a solution proposal to each one of the difficulties were noted. We also used the visit, in addition to the congresses, to visit with our young people who are fulfilling military and civilian missions or simply those who are cooperating and with our young people who are studying there.

[Unidentified female reporter] We understand you met with your counterparts in other countries. Which countries were these?

[Robaina] Yes, we paid belated exchange visits to the UJC in Romania, Bulgaria, GDR. Important meetings were held with youth organizations of those countries. The visit to Romania was long overdue. We were able to discuss our experiences with all those youth organizations and make a thorough analysis of the main problems we have and the tasks we are working on. Making good use of some hours we spent en route, we held important meetings with the International Union of Students [UIS], with its secretariat and directorate, and with the directorate of the CSSR youth to organize the upcoming UIS congress which will be held in our country. Important decisions were made regarding the final phase of the planning of the congress.

[Reporter] Do you remember any interesting anecdotes of this working visit?

[Robaina] Yes, there were many interesting ones but none as stimulating as meeting with our young people who are fulfilling military missions in southern Angola.

We were able to meet with close to 2,000 youths who have remained in their same combat trenches for 2 years. Their only request was for the PCC leadership, Fidel himself, and the revolution to be told that they are willing to continue fulfilling the missions the revolution entrusted to them.

[Reporter] Thank you very much for this exclusive television interview. I wish you success in your career.

CASTRO MEETS WITH INDIAN COMMUNIST PARTY LEADER

FL021507 Havana Radio Reloj Network in Spanish 1202 GMT 2 May 87

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee, has received in Havana Mr Rajeswara Rao, general secretary of the Communist Party of India.

During the fraternal meeting, the Indian leader gave Fidel his positive opinions on our country, the achievements of the revolution in developing revolutionary awareness, the construction of socialism, and the high internationalist spirit of the Cuban people.

During the talks between our commander in chief and the Indian leader, it was obvious that satisfactory relations exist between the two parties.

Fidel and Rao also expressed the common goal of expanding ties between the peoples and Governments of Cuba and India, strengthening the Nonaligned Movement and its struggle for national independence, and increasing economic and social development and world peace.

FORMER ARGENTINE MILITARY LINKED TO NEOFASCISTS

PA262141 Havana International Service in Spanish 2300 GMT 25 Apr 87

["Our America" commentary read by Norberto Hernandez]

[Text] As promised, today we will further discuss a topic touched on recently: The close relationship in the 1970's between the Argentine Armed Forces and Italian neofascist groups headed by Stefano Delle Chiai, which were protected and partly financed by the evil Propaganda-2 [P-2] Masonic Lodge.

The murky mechanism of this relationship started to become evident during the initial trials against top Argentine officers. However, it became clearer in May, when Chilean intelligence agent Armando Fernandez Labios unexpectedly testified about the assassination in Washington of former Foreign Minister Orlando Letelier.

We must add that the assassination in Buenos Aires of General Carlos Prats and his wife was also brought up. Prats, who preceded Pinochet as commander in chief of the Chilean Army, and who was a prominent supporter of a return to constitutionality in his country, had moved to the Argentine capital after the 1973 coup d'etat.

In the attack against Letelier, a special group of the former National Directorate of Chilean Intelligence (Lavina), headed by U.S. citizen Michael Townley, was involved. This group also assassinated Gen Prats.

To carry out this crime, the terrorists were helped by a group of the Triple A, the Argentine Anticommunist Alliance, a paramilitary organization that sowed terror throughout the country through disappearances, torture, and generalized and planned homicides.

We must insist that the Triple A was founded by Jose Lopez Rega, former Argentine social welfare minister, who, in his glory days, was decorated with the order of Grand Commander, the top decoration granted by the P-2 Masonic Lodge. He received that decoration in Buenos Aires from Licio Gelli, supreme leader of that organization.

If we bear in mind that Lopez Rega and his henchmen enjoyed the protection of General Guillermo Suarez Mason, former chief of the dissolved I Army Corps, and that both were members of the P-2 Lodge, it is not difficult to trace this international terrorist, who established his bases in Argentina and enjoyed the approval and broad cooperation of the national Armed Forces.

After leading the most varied terrorist actions in Europe, neofascist Stefano Delle Chiai trained Triple A groups. Because these groups worked closely with the Army and other Chilean and Argentine Armed Forces, we can state with certainty that European neofascism and the P-2 Masonic Lodge directed and financed rightist repression and terrorism in Latin America.

Last year, Argentine Interior Minister Antonio Troccoli said that the secret lodge, which counted former ministers, diplomats, generals, and admirals among its members, was an enormous criminal conspiracy that almost seized power in the country.

With the quote success unquote achieved inside Argentina, the military introduced Delle Chiai to Mayor Roberto D'Aubuisson, chief of the death squads in El Salvador, who asked the Italian to draft a counterinsurgency plan for the Salvadoran Army. It is known that members of the Argentine Armed Forces, with their terrorist experience, trained Salvadoran officers. However, Delle Chiai allied himself with Bolivian and Paraguayan officers in drug trafficking and repression.

Time does not allow us to continue talking about this international terrorist group, but it is clear that officers of the Argentine Armed Forces have very strong reasons not to testify before civilian justice.

CHILEAN REGIME 'REPRESSIVE PLAN' REVIEWED

PA021320 Havana International Service in Spanish 2300 GMT 30 Apr 87

["Our America" commentary read by Norberto Hernandez]

[Text] For the Chilean regime, the enemy is everywhere, and therefore it has been a year since it has implemented a plan called domestic security [seguridad interior], which indicates how to conduct the national security doctrine step by step, specifically in Santiago Province. Before we go any further, we must take into account that this plan assumes the philosophy that Chile is at war and that its main opponent abroad is none other than the USSR, while domestically its enemies are labor unions, political parties, and the church, mainly the Solidarity Vicariate.

Because no Chilean citizen is kept out of the war staged by the regime, the main targets are poor neighborhoods in Santiago, rural areas, and universities, the areas that those who drafted the repressive plan believe have been the source of all protests carried out until now.

Under the supreme command of dictator Augusto Pinochet, since 18 July 1986, a dissuasive and coercive plan has been implemented, which includes the partipation of army troops, the National Intelligence Center, and customs officers. These forces are divided into groups under the command of generals and brigadiers and are equipped with telecommunications devices, trucks, and light vehicles carrying armed soldiers with rifles, pistols, and submachine guns. The plan also lays down detailed guidelines in all areas. For example, the troops must carry enough food for at least 5 days and each rifleman must carry three magazines of ammunition. The plan also includes the intelligence requirements to determine the measures to be adopted in each circumstance. It also calls for prison camps, and land and air patrols to be carried out in each conflict situation.

As you can see, this plan that was imposed by the Yankee Pentagon involves all armed forces in the repression against the people and it is the most irrefutable proof of state terrorism. Under the concept that there is an internal enemy, represented in the church, political parties, and students, the Chilean regime promotes the participation of informers and armed groups of kidnappers and assassins.

This plan had already been implemented when a group of militarymen burned two youths alive on a street last year. This shows the wide range of action available to the repressive Chilean forces. During Pope John Paul II's visit, drastic repressive measures were also implemented by Augusto Pinochet.

In spite of everything, the demonstrations continue throughout the country, because the repressive plan does not provide for the people's extraordinary strength which is capable of making any plan fail when it comes to defending one's rights.

CIEGO DE AVILA RADIO, TV SIGNALS UPGRADED

FL212326 Havana Tele-Rebelde Network in Spanish 1330 GMT 20 Apr 87

[Text] The radio signals of local and national stations in Ciego de Avila have considerably improved by 40 kilowatts of power, thanks to investments totaling more than 120,000 pesos undertaken by the Communications Enterprise. This increased power benefits the Radio Rebelde, Radio Progreso, and Radio Reloj national networks and the Radio Surco and Radio Moron provincial networks.

A center was built to upgrade the signal of Rebelde and Progreso with the corresponding installation of transmitters, auxiliary equipment, and a 40-foot tower. The provincial radio network and Radio Reloj now have new equipment, installed over 15 days without interruptions in the transmissions of either station. With the new installations, Ciego de Avila Province's radio power doubled. Efforts are now aimed at improving the quality of the station's programming. [This additional information was reported by Havana Radio Reloj Network in Spanish at 1513 GMT on 20 April. "In 1987, around 155,000 pesos were spent in Ciego de Avila to upgrade television transmissions in the province. Two repeater stations of 10 watts each were built in Tamarindo and Florencia. Sixteen panels will be changed this year at the Ciego de Avila transmission center, which is over 30 years old."]

VALDES ATTENDS POLICY SEMINAR IN COSTA RICA

FL231655 Havana Radio Periodico del Aire in Spanish 1600 GMT 23 Apr 87

[Text] Seven countries of the region are holding a comparative foreign policy seminar on the Central American crisis in San Jose, Costa Rica. At the last session, the participants studied the Cuban position. Juan Valdes Paz, official of the Cuban center for American Studies, said that Cuba's policy toward the isthmus is based on the participation of the popular movement as an alternative for change. Valdes said that Cuba supports the Nicaraguan principles of political pluralism, mixed economy, and nonalignment, and believes that these principles are in accord with the Central American situation. Valdes urged a negotiated political solution to the Central American conflict while recalling that the U.S. policy toward the subregion has been aimed at preventing self-determination, promoting interventions, and issuing threats of direct aggression.

VISITING ANGOLAN OFFICIAL PLEASED WITH IPU MEETING

FL041857 Havana Radio Rebelde Network in Spanish 1700 GMT 4 May 87

[Text] This morning in Havana, Severo Aguirre del Cristo, vice president of the National Assembly of the People's Government, held official talks with Lucio Lara, first secretary of the Angolan People's Assembly. The two parliamentarians arrived in Havana yesterday from Nicaragua where they attended the 77th IPU assembly. After talking to Aguirre del Cristo on matters related to the Cuban parliament, Lucio Lara spoke of the Managua meeting.

[Begin Lara recording in Spanish] I think that the results of the IPU in Managua has surpassed the expectations of many. We thought that it would be very difficult to achieve a climate of peace in Central America. This was one of the issues that concerned us the most. This battle on the Central American issue has been won. [end recording]

The representative of the Angolan People's Assembly praised the work done by the Nicaraguans before and during the meeting. He said that the Nicaraguans had won the affection and understanding of all those who participated at the meeting. Lucio Lara also told the press that, independently of the ideologies and positions of the delegates at the meeting, the results proved that a similarity of views prevailed on the issue of peace and other important matters.

BRIEFS

MEXICO SOCIAL SECURITY AGREEMENTS -- Havana, 27 Apr -- Mexico and Cuba today signed two agreements dealing with social security and cooperation and social solidarity. The agreements were signed by Ricardo Garcia Sainz, director of the Mexican Social Security Institute, IMSS. The Cuban people and Government thanked IMSS for the latter's support of this country. [Summary] [Mexico City EL NACIONAL in Spanish 28 Apr 87 p 1 PA]

ANTIGUA AND BARBUDA

MINISTER CONSIDERS DRUG PROBLEM 'EPIDEMIC'

FL280147 Bridgetown CANA in English 2322 GMT 27 Apr 87

[Text] St Johns, Antigua, April 27, CANA -- Antigua and Barbuda's economic development minister, Lester Bird, today called for establishment of a national council to help curb drug abuse, which he said had reached epidemic proportions here.

Bird spoke as parliament debated the misuse of Drugs Amendment Act, through which the government is seeking to increase the penalties for drug offences. He said the membership of the council should comprise the church, service clubs and government agencies. Their responsibility would be to develop preventative measures against the use of dangerous drugs.

Bird said the drug problem was such that there was clear evidence of the use of narcotics in some of Antigua's best schools. "With the increasing capability of cocaine becoming available in the society, I respectfully suggest to this house that we treat this thing as an epidemic," Bird said. "Therefore there is need to set up this council and to get all of the different agencies coordinated, not just nationally, but regionally and sub-regionally," he added.

Bird said efforts were already being made through the Regional Security System (RSS), in the Organization of Eastern Caribbean States (OECS) and Barbados, to set up a computer system within the various countries to have readily available information on those involved in the trafficking or misuse of drugs.

Bird, who is also the country's foreign minister, argued that this was one of the major reasons why Antigua and Barbuda has been advocating the establishment of a treaty governing the terms and principles of the RSS. He said the establishment of a treaty would empower an RSS officer from any of the countries associated with the agreement to make arrests of drug traffickers, regardless of the nationality of the offender. Presently, the RSS is being governed by a memorandum of understanding between the member countries.

Bird also called for introduction of educational programmes within the schools to safeguard the future of the country and its young people. "I would like to see the government, through the relevant ministries, develop a programme for preventive care of the young people of this nation in terms of drugs," Bird said.

"We have set up clinics, seminars -- we have to deal with this thing at the beginning of the tide, lest it take us away, because the rate of cure is very limited; so obviously the solution has to be grounded in a preventative programme that includes national, international and whatever assistance one can get to impact upon this problem," he added.

He was supported by environmental health minister, Molwyn Joseph, who considered the situation a serious one because "drug traffickers were being regarded here as national heroes."

"I believe if a young person is educated as to the dangers of drugs, the chances of that young person becoming involved in drugs is far less slim, and I therefore invite the civic organisations which boast that they have social consciousness, to stand up and speak about drugs," Joseph said.

"This is not the job of the politicians alone, this problem is one that will affect all of us in this society," he added.

Government said it was introducing the piece of legislation because by all accounts, the misuse of drugs in the Antiguan and Barbudan society was increasingly at an alarming rate. It said too that it was the policy of the government to do all in its power "to ensure that the scourge of the misuse of drugs is eradicated from our society."

A new feature of the enforcement provisions is the introduction of a minimum fine for conviction under the leglislation. The minimum fines will range from EC5,000 dollars, (one E.C. = 37 cents U.S.) for simple possesion to EC 20,000 dollars for drug trafficking. Government said it considers that a minimum fine will enhance the deterrent effect of the legislation.

DOMINICA

CHARLES DENIES AGREEMENT ON POLITICAL FEDERATION

FL282348 Bridgetown CANA in English 2143 GMT 28 Apr 87

[Text] Roseau, Dominica, April 28, CANA -- Prime Minister Eugenia Charles has denied the existence of an agreement by heads of government of the Organization of Eastern Caribbean States on a political federation of the seven-nation grouping.

Responding to a question from opposition parliamentarian Rosie Douglas, Miss Charles explained that although the heads of the OECS had discussed the desirability of closer union, no agreement had been entered into for a federation next year as was being suggested by Douglas. Charles said the OECS leaders had all agreed that such a matter required in depth discussion between leaders and people.

St Lucian Prime Minister John Compton said recently he would work to secure a political union of OECS states within five years.

GRENADA

'REAL REASON' GIVEN FOR MINISTERS' RESIGNATIONS

FL021748 Bridgetown CANA in English 1606 GMT 2 May 87

[Text] St Georges, Grenada, May 2, CANA -- Acting Prime Minister Ben Jones last night described three government ministers, who resigned recently, as power hungry. He told the nation that the real reason behind the April 13 resignations was their uncontrolled greed for power and an over anxiety to become the prime minister.

Ministers George Brizan, Francis Alexis, and Tillman Thomas quit both the government and the ruling New National Party [NNP] citing differences on labour and economic policies, particularly plans to retrench 1,800 civil servants.

Jones said that the plan to oust Herbert Blaize as prime minister began as early as February 1985 and continued in one form or another until the trio resigned from government. He stated that the Grenada Government -- which took office in December 1984 -- had to continually deny the existence of such moves and pretend everything was alright because of the need to create an atmosphere of peace and stability for investment purposes.

You can't forget that it was that same greed that led to the disaster of October 19, 1983, Jones said in the prime minister's weekly radio broadcast. This is a reference to the execution of Prime Minister Maurice Bishop and 10 colleagues in a palace coup following infighting among moderates and radicals within the then ruling Marxist New Jewel Movement (NJM).

Jones blamed the actions of the three ex-ministers for the island's recent political instability and the slow pace of foreign investment. He said that as a result, the economy did not develop sufficiently in the area of tourism and industry to be in a position to absorb the large pool of unemployed.

We now have a situation where the same people, who, by their lust for power and selfish posturing prevented the policy from succeeding as planned, are pointing an accusing finger at government, he said.

Jones repeated claims by Prime Minister Herbert Blaize that the decision to pursue entrenchement was a Cabinet decision in which both Brizan and Alexis participated. He said their recent attacks on the policy was only a callous attempt to exploit the then tender emotions of those likely to be involved.

Jones also chided what he said were attempts by the trio to link government ministers with the illegal drug trade in an effort to try and discredit the administration. Not withstanding their accusations they have not provided the police with any information or evidence upon which they could act, he said.

Jones said the government has itself strengthened the police force to enable them to deal more effectively with drug trafficking. We are taking steps to control the bays and inlets around the island and to monitor and prevent their unlawful use by visiting and local yachts, he said. We are also working on bilateral and multi-lateral arrangements with Venezuela, the United States, and some of our other neighbours designed to provide close cooperation in the fight against drug traffickers.

HAITI

BORDER WITH DOMINICAN REPUBLIC REOPENED

PA301515 Paris AFP in Spanish 1203 GMT 30 Apr 87

[Text] Port-au-Prince, 30 Apr (AFP) -- The Haitian-Dominican border, closed since 1 December 1983 by unilateral decision of the Haitian authorities, will be reopened to passenger traffic today, a communique issued by the Haitian Interior and National Defense Ministry has reported. This reopening, however, will not apply to commercial traffic between the two countries, the communique explained.

A draft commercial agreement between haiti and Santo Domingo is currently being studied, it was noted in Port-au-Prince, where it was reported that the Haitian authorities and businessmen want a balanced and carefully selected agreement that will not hinder national production. Haitian production is already affected by the invasion of Dominican contraband products that enter the country illegally.

HOYTE GIVES ECONOMIC REPORT AT MAY DAY RALLY

FL021700 Bridgetown CANA in English 1540 GMT 2 May 87

[Text] Georgetown, Guyana, May 2, CANA -- The financial doors are opening to Guyana and sources of finance unavailable to Guyana in recent years are once again becoming accessible, President Desmond Hoyte said. He told a May Day rally that Guyana was in a state of economic ferment and gave an illustrative list detailing about 20 significant recent developments in the economy to back up this contention.

The list includes the coming together of two Canadian firms, Golden Star Resources and Plesser, to mine five to eight tons of gold here annually, starting later this year. The operation would be of a magnitude we have never seen before. The list also includes the finalising of a production sharing arrangement with the London and Scottish Marine Oil Company (LASMO) which will be engaged here in exploring for oil offshore.

He was not specific about which financial doors are opening once again to Guyana, but his remarks have served to fuel speculation here that his government is contemplating entering into an arrangement with the International Monetary Fund (IMF).

Speaking earlier at the same rally at the national park, minority leader Dr Cheddi Jagan left no doubt that he is convinced that the government is about to go down the IMF road once again. In his one-hour presentation to the thousands of workers who had earlier marched through the streets of the city in an impressive parade, Hoyte said the measures introduced recently by his government to adjust, stabilise, and expand the economy may be tough but they are necessary and they are right and nothing and nobody will deflect the government from the course upon which it has embarked. Among the measures introduced recently by the government is a controversial 56 percent devaluation of the Guyana dollar against the U.S. currency.

Stressing that there could be no quick fix for the Guyana economy, he said the process of recovery will be long haul requiring patience, discipline, and a methodical and systematic approach. The evidence is overwhelming in our favour. We are beginning to reap the first fruits of the policy measures we have been implementing, Hoyte added.

This was evident from the strengthened performance of public sector enterprises because of, among other things, the stricter discipline being enforced and the opportunities being given managers to make business decisions without interference. The state enterprise sector as a whole will return improved surplusses and it is envisaged that not a single corporation of a commercial nature will show any deficits this year, Hoyte said. The Guyana Sugar Corporation (Guysuco) which has embarked on a major diversification programme, returned to profitability last year and by the end of next month that corporation will be paying to its workers G7.2 million dollars in profit sharing. Hoyte gave no forecast for the performance of the three companies in the rice sector which, together with the sugar and bauxite sector, constitute the country's three major foreign exchange earners.

The policies and measures we have put into place have earned us the respect of the international community and of the multilateral agencies which now regard us as a serious people and a serious government seriously bent upon putting our house in order, the president told the rally.

Guyana, he noted, cannot isolate itself, for it is part of an international system which, though it has its serious defects, is guided by certain rules of economic behaviour which make sense and within the ambit of which Guyana must operate. And so, as a result of what we have been doing, financial doors have been opening to us and sources of finance which were inaccessible to us in recent years are once again becoming accessible, Hoyte said, adding that there can be no doubt of the improved investment climate which has generated both external and domestic investments.

Meanwhile, detailing the other recent developments in the Guyana economy which he said is in a state of economic ferment, he referred to:

.Current discussions in China for a large-scale joint venture for the production of garments for the export market and which should provide employment for about 1,000 persons.

.The signing of China last Monday of a 6 million U.S. dollars interest-free loan for the development here of small- and medium-size industrial enterprises.

.Guysuco's new dairy enterprise, which now has a herd of 409 dairy animals, with another 250 expected by August, will be increasing its milk production capacity of 630 gallons daily.

.Commissioning at Liliendaal Wednesday [29 April] of new processing facilities for the production of butter, cheese, yoghurt, and pasturized milk by Guysuco.

.A decision to activate the Guyana-India joint commission this year to strengthen and improve economic cooperation.

.The expected arrival today of a Japanese team to negotiate with Guymine for the exploitation of kaolin resources in the bauxite belt, and,

.Impressive results of trade missions to various sister Caricom states, including increased trade and collaboration in keeping with the place of Caricom as a cornerstone in the country's economic relations.

.Allocation of 4.7 million dollars from flour sales to the Institute of Small Enterprise Development (ISED) to finance activities of small enterpreneurs.

.The commissioning within weeks of the veneer plant of Guyana Veneers Limited.

.The programme by Banks Dih (a private firm) to invest 20M dollars in the production of breakfast cereals and snack foods, using plantain, rice flour, and other local products, and geared to the export market. Machinery is due in the country later this year.

.Involvement of a new Amsterdam company, Waico, in producing 100,000 U.S. dollars in furniture for Cuba.

.Establishment by the end of next month of a fertiliser packaging facility for export and local fertilizer markets, by a United States-Guyana private sector venture, Guyana Fertilisers Limited.

.The entry of Swiss machine establishment into the U.S. market for machine components, and the programme expansion of the company's capacity, with a loan from Gaibank.

.A 3M U.S. dollar order from East Germany for mixed hardwood to be filled by local sawmills, and

.The licensing of four rice millers to export rice to hard currency markets.

Rejects Suspension of Debts

FL021613 Bridgetown CANA in English 1416 GMT 2 May 87

[Text] Georgetown, Guyana, May 2, CANA -- Opposition leader Dr Cheddi Jagan has called on the Guyana Government to follow the example of Brazil and suspend payments on its foreign debt. But Jagan's suggestion was promptly rejected by President Desmond Hoyte who stressed that Guyana's debts will be paid having been honourably undertaken. Both leaders spoke yesterday at a big May Day rally at the National Park here following a parade of thousands of workers thorugh the streets of Georgetown.

Jagan who is leader of the People's Progressive Party (PPP) said that while official figures of the country's foreign debt are not available, this debt is estimated to be about 1,800 million U.S. dollars. This, he said, means that each Guyanese carries a debt burden of over 2,000 U.S. dollars, which he described as the highest per capita for any country in the world.

He added: We say again: Suspend the [words indistinct] freely and honourably undertaken. We have to present ourselves as serious people, responsible people, honourable people, and that is the objective of this government and that is one of the purposes of this government, he said.

GOVERNMENT, TUC AGREE ON NEW MINIMUM WAGE

FL241909 Bridgetown CANA in English 2252 GMT 23 Apr 87

[Text] Georgetown, Guyana, April 23, CANA -- The Guyana Government and the Trade Union Congress (TUC) today reported agreement on a new national daily minimum wage for 1987 -- up by near seven dollars -- after an impasse of several weeks. The new minimum wage for public sector workers is 23.75 dollars (one Guyana dollar - 10 U.S. cents) a day, up on the old level of 16.80 dollars but below the 30.52 dollars the TUC had been demanding.

TUC General Secretary Joseph Pollydore told CANA: It is still a far way from what we would consider to be a reasonable wage in the light of the current cost of living level but an improvement on the 19.40 dollars a day the government has been offering. The wage hikes are retroactive to the beginning of the year and the TUC general secretary said there was some openness in the agreement in that it allows for further discussions with the government if the cost of living goes up astronomically. Within three weeks the two sides are scheduled to begin discussing income tax reforms, subsistence and travel allowances, contributions to the compulsory state national insurance scheme and other issues related to the wages levels.

DIPLOMAT SAYS ARMY-REBEL FIGHTING RESUMED

PA301526 Paris AFP in Spanish 1426 GMT 30 Apr 87

[Text] Cayenne, French Guyana, 30 Apr (AFP) -- The fighting between the Surinamese Army and the armed rebels of Ronnie Brunswijk has resumed, Kenneth Middelyn, consul general of Suriname to Cayenne, declared here last night, noting however that the city of Albina has not fallen to rebel hands. The regular garrison has not been overrun, the Surinamese diplomat added.

The campaign for the legislative elections scheduled for 25 November began officially on 26 April in Paramaribo, the control announced.

Clashes in Eastern Suriname

FL301746 Paramaribo International Service in English 1730 GMT 30 Apr 87

[Text] On Tuesday [28 April] there were clashes in two areas in east Suriname between the National Army and the terror gang of Brunswijk.

Nearby Commetewane on the east-west connection, there was a clash in the evening and a vehicle with five gang members exploded. The vehicle of the so-called Jungle Commando was probably carrying dynamite.

At the beginning of this week there were also shootings at Moengo where gang members attacked a detachment from the National Army. The shootings went on for 3 and one-half hours. Gang members were hiding in a house from where they opened fire on the Army. The gang suffered one death while there were no reports of casualties on the side of the National Army.

Afobaka Pylons 'Sabotaged'

FL011835 Paramaribo International Service in English 1730 GMT 1 May 87

[Text] The high tension pylons at Afobaka have again been sabotaged. Last Friday [24 April], the Suriname Aluminum Company, Suralco, discovered that one of its pylons was ripped from its foundation. Extensive damage had been done to one of the four legs of the pylon, while some isolators, which have been shot at, are broken. Such damage can disrupt electricity supply to Paramaribo. This is the seventh attempt by the so-called Jungle Commando of Ronnie Brunswijk to disrupt the flow of energy to the city.

In a letter notifying the minister of natural resources and energy, Suralco expressed concern over the actions of the Brunswijk Gang and the disastrous effects they can have on energy supplies to Paramaribo.

ARMY OFFICERS TO PARTICIPATE IN 25 FEB MOVEMENT

FL301753 Paramaribo International Service in English 1730 GMT 30 Apr 87

[Text] (?High) Army officers will participate at high levels in the 25th of February Movement. This announcement was made yesterday at the meeting with soldiers of the National Army by Commander Desi Bouterse. This decision was taken because the Army and the Movement have to unite again, said Bouterse, who is chairman of this political organization. He pointed out to the soldiers the importance of defending the country.

Commander Bouterse further said he doesn't believe that with national elections the problem of terrorism will be solved. This will only happen when the terror gang is destroyed, said Bouterse.

COUNCIL OF TRADE UNIONS INAUGURATED 1 MAY

FL011817 Paramaribo International Service in English 1730 GMT 1 May 87

[Text] Today, trade unions in Suriname are celebrating Labor Day in a special way, with the establishment of the Council of Trade Union Federation, (Rafacscur). In this connection, three of the four trade union federations are taking part. They are the C-47, the Moederbond, and the Civil Service Organization, CLO.

The Progressive Workers Union [PWO], which is headed by Mr Ramon Cruden is not taking part because of the [Edmund] Dankerlui issue. Mr. Dankerlui, who was labor minister in 1985, became the center of a controvery within the union movement after pointing a pistol at disgruntled workers who were seeking a meeting with him. With the exception of the PWO, the other unions then called for the removal of Dankerlui as labor minister.

LABOR MINISTER ANNOUNCES WORKERS SOLIDARITY FUND

FL041824 Paramaribo International Service in English 1730 GMT 4 May 87

[Text] Labor Minister Andre Koornaar in his May Day message announced the solidarity fund, which will go into operation this week. The fund is aimed at supporting dismissed workers in an effort from preventing them to go below the bread line. [sentence as heard] The labor minister said the jobs of many workers are being threatened, adding that it's the duty of the trade unions to protect these workers.

At the end of last week, the top deliberating council discussed the question of mass retrenchment plans by the [words indistinct] companies.

Minister Koornaar called on the workers involved in these two issues to have patience, giving them the assurance that the government is working on their case.